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ALBERTA COAL COMMISSION, 1925.

E V I D E N C E

VOLUME 11.

PAGES 401 - 1800

John Shanks

Q From whom?

A Not from the local, that I know of.

Q Is there from individuals?

A I have no official complaints.

Q You contend, though, if you had 25 per cent. increase in production you would want more men still?

A No, I would rather give the men I have in the camp six days instead of four and have a contented camp.

THE CHAIRMAN: But would 25 per cent. increase in orders increase - -

A They are only working four days; if we work six it will be 33 per cent. - - no, on another 50 per cent. increase. So I wouldn't hire any more men; I would give the men the benefit of steady work so they would be a contented camp and get away from this claim on idle time.

Q Dr. Allan made an estimate for us of coal reserves in Alberta on a basis of on/what he has called actual reserves proved by mining operations to date. In the coal area of Nordegg he has counted on 36 square miles, 1 township of proved coal, and he has calculated on a thickness in the Kootenay seams over 2 feet and within 100 feet of the surface, on 35 feet of coal; in other words, for the coal area of Nordegg he has estimated 36 square miles by 35 feet thick. Would it be your opinion, knowing that area, that that was - -

A Knowing that area and knowing the coal measures, as far as the bituminous coal measures are concerned as well as Dr. Allan knows them from the Crownsnest Pass to the Smoky River, I should say that Dr. Allan is an optimist.

Q Come right down to this Nordegg area first and let me treat the others more broadly.

A Well, as far as the Nordegg area is concerned -

Q For this calculation only, it is only, frankly, an estimate. In the entire Nordegg area he has put down one township of coal, 35 feet of workable coal.

A A township is thirty-six square miles?

Q Yes.

A- I would say as far as Nordegg is concerned he is fifty per cent. out in his estimate.

Q In which way?

A In acreage; there is not thirty-six square miles of coal bearing strata in the area. He has stated there is 35 feet proved bituminous coal of coal of commercial value within the Nordegg area consists of two seams, commercial value, one 14-foot and one six-foot, which makes it 20, so that he is out to that extent of 20 feet of coal as against 35 feet of coal.

Q And you say twenty-four square miles instead of thirty-six?

A Twenty-four instead of thirty-six.

Q You know the area that is included in that?

A Yes; he calls the Nordegg area - yes, he goes beyond - -

Q (Showing map)

A South of the Saskatchewan there is nothing proved. This here takes in our property, is all right, and my statement as I have made it stands.

COMMISSIONER WHEATLEY: How deep do you estimate those commercial seams of twenty feet?

John Shanks

A They are within his estimate of 1000 feet.

Q Are there any others of non-commercial value in that neighborhood?

A No, Kootenay measures in our immediate neighborhood or what is left of the Kootenay measures are all within a thousand feet.

Q The green (referring to map) is all yours?

A The green are all ours.

Q And the red is the coal leases?

A These are the leases we own and operate; these are sales before the Act was passed, but you can't buy out any more. We owned the Big Horn, South Brazeau, Saunders Creek and a claim at Mountain Park. I would like to make a general statement in regard to that.

Q Yes, I would like to have your general statement.

A Dr. Allan states that there are 62 billion tons of coal in Alberta. He bases his estimate on a depth of a thousand feet over an area of 2488 square miles. In this area he figures there are 29 billion tons of bituminous, 13 billion tons of sub-bituminous and 20 billion tons of lignite. He also estimates there are an additional 12,000 square miles likely to contain coal.

THE CHAIRMAN: Pardon me, that was not additional; I think he would take a total area of 12,000.

A Additional, I understood him to say. In any case, in the latter statement he is in all likelihood correct; the whole country is coal bearing. Dr. Allan states the bituminous coal area --

When I say Dr. Allan states the bituminous coal area is such-and-such, I am not referring to any evidence he has given because I have only the evidence in the press; I have nothing in connection with you; I am only referring to Dr. Allan's statement in a paper he read in front of the Canadian Institute of Mining & Metallurgy no later than March of this year at Ottawa. The Canadian Mining Institute represents the industry in the broadest sense of the word and anything stated before that Institute a man places his reputation at stake, whether it is true or not true.

THE CHAIRMAN: I might just say he modified it very greatly in the statement to us.

A I might just say he has got to modify it to the public; if I can get it before the public - Mr. Wheatley brought out the statement that sometimes glowing statements are made and I want to bring out where Dr. Allan can blow occasionally. Dr. Allan estimates the bituminous area in his paper referred to was 972 square miles and he bases his estimates of tonnage on the metrical short ton, giving 1900 tons of coal per acre foot. This area of 972 square miles makes a strip three miles wide from the Crowsnest Pass coal field in the south to the Smoky River coal field in the North. Dr. Allan assumes this is underlain, according to the 62 million ton estimate. with this 229 ton estimate, with 24 feet of bituminous coal - -

Q I don't just follow you.

A I am taking his statement in front of your Commission

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combined with his statement in front of the Mining Institute as his area of 972 miles being correct, that is for bituminous coal alone - if that is the correct statement it refers, speaking graphically, to a strip of coal lying on a carpet three miles wide from the Crowsnest Pass to the Smoky River and 24 feet thick.

Q I don't know where you get 24 feet thick.

A I get it by working backwards; there is 972 square miles and is - - -

Q Let me interrupt you there. The 29 billion tons of bituminous coal has no connection with this area.

A I am coming to that. I consider that to take 24 feet of coal on an average/ⁱⁿ the bituminous measures is only reasonable, instead of 35, but Dr. Allan does not seemingly allow for barren patches, such as limestone ridges, crossing this area several times, as is the case at Nordegg and elsewhere. In the Nordegg area/^{the coal} pitches like in basin shaped depressions behind thrown blocks of limestone which have protected them during the glacier area; the coal measures are far from being continuous. Dr. Allan does not seemingly allow for mines mining out slate, bone, etc. and ~~anywhere~~ ^{loss} ~~some~~/in any mining operations in extracting pillars, etc. This loss is estimated by engineers to average about 25 per cent. of the coal in the ground, the loss in mining operations; it is higher in extraordinary thickseams. I estimate in the 972 miles which Dr. Allan takes as covering the bituminous coal fields of Alberta 25 per cent. is barren of coal and 25 per cent. of the coal in the ground cannot be

extracted and sold, so I think that it is a fair estimate to take 50 per cent. of Dr. Allan's figures and say that Alberta has at least 15 billion tons of bituminous coal.

Q Just a moment. May we, then, on your showing take 50 per cent. of 972 square miles?

A No. 25% off; 25% is barren of coal. I say, as an estimate -

Q That would leave 729 square miles?

A Yes; and 25% of the coal in the 729 square miles cannot be extracted because of inability to get it out.

Q Supposing we take that at 24 feet thick, that is, an effective thickness of 18 feet?

A Approximately, you will find it works out just what I say, between 15 and 16 billion tons.

Q That is taking 1500 tons per acre foot?

A No. Dr. Allan's figure is correct taking the short tons, the actual ton is 1900 tons per acre foot, taking pretty high specific gravity coal.

Q You say it comes to what?

A I say it comes to 15 and 16 billion tons of bituminous coal.

Q Because he gives us 29 billion tons from only - - the bituminous is down to 720 square miles -

A His map coincides with what I say. He has taken in the Crownest Pass coal field and the Smoky River, which is approximately 330 miles long and you will find, by a three mile strip wide, is about what I say, 972 square miles. However, these figures, under any circumstances, must be approximations.

Q What threw me out. I was thinking there must be some

difference because this paper takes 108 square miles in Nordegg. His revised estimate of Nordegg is down to 36 square miles.

A Dr. Allan has got to explain that.

Q But he doesn't make the same reduction all along. I thought he did. I thought he had cut this whole thing down. That gives us what you say, then?

A Between 15 and 16 billion tons of bituminous coal. About the lignites I shall not say anything but that in the Saunders Creek area to date there has only been 15 feet of commercial coal exposed. Dr. Allan is correct in that figure - 15 feet of commercial coal exposed in the Saunders area. Dr. Allan has seemingly revised his figures since he read his paper at the Canadian Institute of Mining & Metallurgy in March, 1925. He stated there he estimated that Alberta had 237 billion metric tons of bituminous coal.

Q That was a sheer error. He has corrected it in red ink.

A Well, let the public know it. And the total available coal reserves were 523 billion metric tons. It would be interesting to know what figure Dr. Allan believes in himself: the figures given to the Coal Commission or the figures given in the paper before the Canadian Institute of Mining & Metallurgy. If he was reporting both ways to a mining corporation they would discredit him instantly.

Q Note the correction. That was a straight miscalculation he discovered in working over his figures, quite a substantial one.

A Serious, yes.

Q He has reduced his 237 billion down to 41 billion.

COMMISSIONER WHEATLEY: Your difference is between 24 feet thick and his 35?

A Yes, Mr. Wheatley. You are conversant with the southern coal field; that seam folds and the same seam is got several different places. How many seams are they working down there at Blairmore?

Q Well, there are several seams.

A How many?

Q Two they are working on.

A Two, at least, yes. What is the thickness of the two combined, the average?

Q About twenty-four feet.

A Yes, I am correct.

THE CHAIRMAN: Mr. Shanks, Dr. Allan in Exhibit No.8 estimates 29 billion short tons of bituminous coal, 50 per cent. recoverable or 14½ billion tons.

A 50 per cent. of 29?

Q Yes, and you say between 15 and 16 so that you are pretty well substantiating the final figure we have got. We don't know what he said to the Institute in Ottawa.

A Well, I am quoting the Institute - -

Q Dr. Allan assured me when he discovered this mistake in his paper he had all the copies and he was sure no copies were going out without it.

A Well, it is here published. I think the correction ought to be made and it is of vital interest to the public.

COMMISSIONER WHEATLEY: He has made 50 per cent. allowance lost by extraction.

A Yes; I only make 25.

Q But you are allowing also by faulty ground 25%?

A I include brackish coals.

Q So, comparatively speaking, you both agree on the ultimate amount?

A According to that, I would not criticize Dr. Allan's latest figures.

THE CHAIRMAN: And the sub-bituminous, did you consider the sub-bituminous figures?

A Only I consider Dr. Allan's figures of 15 feet of commercial coal is correct; I am not conversant with that.

Q I have a set of queries here; I don't know whether you feel disposed to express an opinion. You have already given us your views as to the standards of management in Alberta. Following that on down, what opinion have you as to the standard of the workmen, foremen and superintendents as compared to other coal fields, as to whether they are good miners or poor miners? Are you prepared to make a general statement as to whether the field here has good workmen compared with other mining fields?

A Yes, compared with other mines?

Q The standard of workmen?

A I think to-day to make a comparison of a man's ability as a miner, because of the different conditions, just as in the crafts machinery has taken place of expert craftsmen in connection with dovetail work and furniture making, etc., so in connection with the mining industry the machines have taken the place of the workmen in mining, in bringing down the coal; the miner, from the point of view of getting

the coal down to-day does not have to be as expert as he was twenty years ago, so that it is very difficulty to make comparisons but I have found, in my experience of the average coal miner, that they are all conscientious workers.

Q What would you think would be a fair percentage return on capital invested in Alberta mining, fair in the sense of a return that would be reasonably attract more capital into the industry, having regard to its special conditions?

A Considering the risks of the industry, and they are great, I would say not less than 20 per cent.

Q Per annum?

A Per annum.

COMMISSIONER WHEATLEY: Does your firm make that?

A No, they haven't made any money.

Q They haven't made any? What are their losses?

THE CHAIRMAN: I have that information.

A I could not tell you that. The Chairman has got a lot of information I think I even have not got.

COMMISSIONER WHEATLEY: That you haven't got? Did you make a mistake that may be somewhat incorrect?

A When I say what?

Q When you say you have made no money?

A Oh, I can tell from the operating costs whether we have made money or not but how much we have lost - there are expenses to be added on at Toronto that don't go through sheets our costs/at all. Our company have paid no dividends; that is all I know.

the only thing I have to do as a worker is

to be a twenty year old, so that is a very difficult

to make comparisons but I have heard, in my own mind

the average cost of labor, that they are all comparable

workers.

What would you think would be a fair amount of money

to be paid for a worker in the industry, it is the same

in a factory that would be paid for a worker in a factory

and the factory is the same in the same industry

the idea of the industry, and they are great,

I would not have been 30 per cent.

the same

the same

the same

the same

the same

the same

the same

the same

the same

the same

the same

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the same

the same

Q How have they disposed of their money?

A I don't know; the Chair an will tell you if you wish to know.

THE CHAIRMAN: I have a lot of that information to work over and present to you in due form.

Q Now, Mr. Shanks, we have kept you a long time and unless there is something else you had ready to add that we have not happened to question you on -

COMMISSIONER IRINNAN: I would like to ask Mr. Shanks some questions.

Q There was some reference made to mine timber. Where do you get your mine timber from?

A The forest reserve; we are operating within the forest reserve at Nordegg.

Q Can you give us any rough approximation of the amount of timber you use per year?

A Yes; we use approximately over a million prop feet.

MR. EVANS: Q Lineal feet?

A Lineal feet, and a prop averages anything from 6 to 12 inches.

COMMISSIONER IRINNAN: Have you any knowledge of the reserve in mine timber in the neighborhood of your mine? Can you go on indefinitely cutting this million feet?

A No; as a matter of fact, the timber within the watershed at Brazeau, as far as I have it sized up, I can only see ten years' timber ahead, without having to import it by rail from outside districts.

Q Well, do you know if there are any reforestration or any efforts being made by the Forestry Branch or anyone else to take care of that situation?

A No, nothing has been done in Nordegg, with one exception:

The Forestry people planted about half an acre with seed and protected it by wire netting to get information on how long it would take the seed to germinate and naturally to watch the growth but no attempt at reforestation by planting has been made.

THE CHAIRMAN: What was the result of that experiment?

A They are still germinating the seed.

Q. How long ago was that?

A A year ago, or two. I don't understand much about forestry work but I understand these seed take some time to germinate. I don't know what years, between the kernel rotting, etc.

COMMISSIONER IRINNAN: There has been some reference made before to the Research Board in Edmonton. What benefit do you consider the coal industry is deriving from the work that this Research Council is doing?

A As far as the coal industry is concerned, they have received no benefit whatever from anything that has been done by the Research Council. The Coal Operators of Alberta pay in a voluntary tax \$300,000. a year to the Province. All the industry has got out of that to date has been a certain amount of advertising through Commissioner Stutchbury and the demonstration office in Winnipeg, which, to some extent has helped the domestic field to get the market but outside of that we have got nothing for our \$300,000. volunteer subscription. No doubt the Research Department is spending the money of the Alberta taxpayer but at the same time they have got Dominion grants, a certain amount of Dominion money being spent in research work, but to date we have got

nothing out of it, and I submit, with all due respect to the men who are working with that department, especially those operating the research in connection with coal oil and road materials, that they have got nowhere, that they are covering ground that already has been covered in the older countries of Great Britain, Germany and United States; and I submit that most of it, as far as these places are concerned, is money wasted, and I think, myself, that the work should be discontinued. Mr. Stansfield's department is to-day researching the briquetting of anthracite coal. In other words, in this chemistry department, they are ~~taxing~~ continuing in Alberta the experiments that were made at Bienfait.

Q You mean lignite coal?

A Lignite coal, which can only result, if they ever do find how to briquette lignite slacks, can only develop the lignites /development of the Saskatchewan field at the expense of the Alberta field, to restrict Alberta. This is being done at the expense of the Alberta ratepayer. In connection with my statement that this is more or less wasteful money, this research work of Alberta, I would read from the "Coal Age" of New York, April 30th; "Co-operation between mining research of United States and Great Britain is recommended by the arrival of Foley, Wheeler, Clifford and Chapman. (?) It is good to know that what we ascertain the British will not concurrently be at pains to rediscover and what the British learn we shall not be compelled to determine over again by costly experiment. France, Belgium, and, let us hope,

Germany, will soon join in and we shall have all nations combining to meet their common problems." I submit that what is being done at Alberta to-day is trying to rediscover something that was already discovered years ago in older countries in connection with road material research and briquetting of lignites, etc.

Q Of course, we are not here to investigate the Research Council of Alberta.

A It is in your question.

Q I am just going to ask, in what sense German research would help us here?

A Send for the literature and discard the staff that is conducting research at the University of Alberta.

Q In what sense are they the same?

A The same as all the world over; we have black lignites in Alberta and brown in Saskatchewan, the same as they have all over the world.

Q Have we any lignites that are like the German lignites?

A Yes, the brown lignites of Saskatchewan compare with the salacious lignites in Germany. What difference - ?

Q They differ vastly.
(The Chairman explained the differences and briquetting experiments in North Dakota with the German process)

A I only want to state as far as our Dominion of Canada is concerned, they have spent ^a/million dollars of Dominion and Provincial money at Bienfait, Saskatchewan, to date and to-day it is in the discard. A million dollars will go a long way.

Q And Mr. Stansfield -

A And Mr. Stansfield was one of the men who carried out the experiment there.

Q And he has advised us in his evidence that the thing should not be gone on with again.

A The Research Council are always on the verge of finding out something that is going to revolutionize the industry or something else; the same with Alberta tar sands. They don't tell the people the Alberta tar sands are something they should not talk about, that it is non-commercial and should not be done for the next hundred years. Any gasoline will be when we are all done and -

Q I won't attempt to take up the cudgels for the pure scientist.

COMMISSIONER WHARTLEY: Providing, now, the Research Council is discontinued, as you suggest, who is going to be the judges to check up these papers and pamphlets that come through from foreign countries or wherever they are making these experiments?

A Oh, well, you would put what I call the student in the position of criticizing his professor because I consider these men are only students compared with professors in the Old Country who have years of experience and records of history away behind them.

Q To whom, then, are we to lean for advice when these papers shall come?

Research

A / Science is open to the world, free to all to have copies of. You can get copies of research in Germany to-day by sending for these copies. We are heirs of all the ages as far as research is concerned in Science.

Q Well, if we have coal of certain characters and want to

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find out, if we can apply our systems to this method of briquetting, or whatever it may be, who do you suggest will undertake this work? We have to find out what the characteristics of our coal are. To whom would you suggest this -

- A I would suggest sending samples over to Germany and Great Britain where we have professors of world renown who would be working along the right lines. The same applies to the road making materials that we have heard of, the bentonite we have heard so much about.

THE CHAIRMAN: I don't think that comes in the scope of our enquiry.

- A No, research generally.

COMMISSIONER DRINMAN: There is just one more matter I would like to bring to your attention, that is, the matter of abandoned mines.

We had evidence in Edmonton to the effect that there have been twelve million dollars lost in abandoned mines in the Province of Alberta. Have you any knowledge of the abandoned mines of this province?

- A I can recall a few that you might called abandoned. I would mention Frank .

- Q The witness who gave the figure of course said it was just an estimate, that he had no means of getting at the figures correctly. How does that figure of twelve million dollars appear to you, with what knowledge you have of the industry?

- A Referring to the abandoned - I think it is ridiculous.

THE CHAIRMAN: Which way?

- A Too high. In other words, neither I or any other man in Alberta can turn around and say what has been lost; he may guess at it; we have had one mine closed ^{within} ~~down~~ this last

year at Bankhead, no man can say whether that mine lost money or not. Who can say that capital was not written off?

Q There is one here who could say.

A Probably, and Nordegg may close down tomorrow; who can say the mine lost capital? Who can say the capital has been expended during the twelve years it has been working? Any man that makes a statement like that cannot apply it down to the facts. I have no figures to give you and I just say the statement is ridiculous and the statement should never have been made. It is not even an intelligent guess.

Q I am afraid we rather forced it from an unwilling witness. We asked him to make an estimate.

A I would say to your other question about the number of mines abandoned, I want to emphasize that fact, because as an operating man and mining engineer I am smarting very much by the statements made by our professors and by our labor agitators who brought about this commission and I want to read you a statement of fact. In 1920 there were 10 mines in this province produced 48.32% of the total coal produced; 10 produced 18.83%, 15 produced 16.06%; 17 produced 3.57%; 18 produced 4.51% and 185 produced 3.71%. I just want you to bear in mind those facts: 185 out of 255 produced 3.71% ^{it is} and/out of these 185 mines the Mines Department got these mines that are abandoned; that we, the legitimate engineers and managers of the legitimate mines, as I would call them, have got to face the criticism.

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COMMISSIONER WHEATLEY: From whom, the labor agitators, too?

A Yes, and Alberta Professors. There seems to be some harmony between them.

Q In just how would you apply this to those mines that you speak of that have been unable to provide the workmen with a livelihood?

A Why have they been unable to do so?

Q That is what the labor agitator wants to know. He does not say what is wrong; he is not so presumptuous as all that; he asks for an investigation.

A I am not being cross-examined by a labor agitator so I am not giving any information. Are you asking a question?

THE CHAIRMAN: May we have that statement?

A Yes. A similar statement could be worked out -

Q That is 1920?

A Yes, it is in the Mines Branch Report and it can all be worked out from their reports.

Said statement put in and marked Exhibit 19.
showing production by mines, in 1920.

COMMISSIONER WHEATLEY: I consider it an erroneous impression to give that the labor agitators have called for this investigation under the terms you have stated.

A Well, I think I ought to qualify that and say the political labor agitators. You have got to make capital to catch a vote. I know you would be above all that sort of stuff.

Q You think all these men in the mining industry that are engaged by these even good mines, as you interpret good mines, in the mining industry, who have been unable to

Dear Mr. [Name],

I am very sorry to hear that

you are having trouble with your [Name]

and that you are not able to

do the work that you are doing

and that you are not able to

do the work that you are doing

I am very sorry to hear that

you are having trouble with your [Name]

and that you are not able to

do the work that you are doing

I am very sorry to hear that

you are having trouble with your [Name]

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do the work that you are doing

I am very sorry to hear that

you are having trouble with your [Name]

and that you are not able to

do the work that you are doing

I am very sorry to hear that

earn a livelihood - you think an enquiry into the why and wherefore of that is just political capital?

A Oh, no, I don't say that; there are economic conditions govern these things ; you know perfectly well - -

Q Well, just develop that point, the labor agitator, what is his motive and his object? What can he benefit politically by this?

A Oh, there is a great difference between the political agitator and the political leader. I want to emphasize that fact: the labor leader generally goes and states the true facts; the labor agitator ignores them or distorts them.

Q Who is the one that is being followed in Alberta, the labor leader or agitator?

A Oh, I am not going into individuals but I do submit , with all due respect to this Commission, that this commission has been inaugurated, as it were, because of statements made on the floor of the ^{Legislature} House-of-Commons/in Alberta with regard to mining industry that it ought to be investigated because of the bad circumstances prevailing, the short number of days worked, supposed to be exorbitant profits of the operators, and the great loss of coal in the process of mining through bad management, etc., etc. I don't think I am wrong in making that statement that that is the reason why you gentlemen are here to-day and any evidence I have given today has been given truthfully and conscientiously to help you come to a finding.

THE CHAIRMAN. We appreciate it.

born a Jew. He was a Jew by birth and by education. He was a Jew by heart and by spirit. He was a Jew by name and by deed.

He was a Jew by birth and by education. He was a Jew by heart and by spirit. He was a Jew by name and by deed.

He was a Jew by birth and by education. He was a Jew by heart and by spirit. He was a Jew by name and by deed.

He was a Jew by birth and by education. He was a Jew by heart and by spirit. He was a Jew by name and by deed.

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He was a Jew by birth and by education. He was a Jew by heart and by spirit. He was a Jew by name and by deed.

COMMISSIONER WHEATLEY: Judging from your replies, I see it is quite conscientious, because you would not give these replies because a political agitator had been the instigator of a certain investigation?

A Certainly not. I simply made the statement of fact.

THE CHAIRMAN: Anything more?

A No, I don't think there is anything more.

Q Thank you very much, indeed, Mr. Shanks.

ROBERT M. YOUNG, was then called and sworn by the Chairman. It was then decided to take another witness first and he was asked to wait until later.

T H O M A S M A R T I N M c G U C K I E,

Being called and duly sworn, was examined by:

THE CHAIRMAN: What mine are you connected with, Mr. McGuckie?

A The Ideal Coal Company.

Q At Wayne, is it?

A Yes.

Q (No. 844) How long have you been operating that mine?

A Three years.

Q What is your position in it?

A Manager.

Q I see that you suggest in one of your answers with reference to marketing that an effort be made to form a pooling arrangement. Have you worked out anything in detail along that line?

A No, the only thought I had if a pooling arrangement was

T. M. McGuckie

formed the general expenses of marketing coal would be reduced.

Q Had you any definite plan in mind for it?

A Well, so far as Drumheller Valley, which includes Wayne, I should think one general sales organization would result in a benefit to the mine and to the consumer.

Q How would you take care of a situation where orders weren't sufficient for all the mines?

A Share up the available business.

Q On what basis?

A On so much as per the tonnage of the output; for instance, a mine producing a given output of 500 tons a day would get its share in comparison with the output of that particular mine, when orders are scarce.

Q When you say producing an output of 500 tons a day, you mean having a capacity of that?

A Yes.

Q Has any movement been made along that line in Drumheller, that you know?

A Yes, the suggestion was made some years ago but never materialized.

COMMISSIONER WHEATLEY: Why?

A Well, there were various reasons. The parties that were organizing the selling company were strangers here; they were from the States; and some of the mines out there did not look very favorably on them on that account.

Q Are you familiar with any such system anywhere?

A Of any what?

- Q Are you familiar with any system of this kind anywhere?
- A No, I don't know of any system where that is in force.
- Q You don't know that there has been one in the States, in Duluth, on the Great Lakes?
- A No, I don't know.
- Q Your ideas originated from what? From the present wheat pool plan, or something of that nature?
- A No, not from that but from the fact that it was tried several years ago and I know there was quite a number of the operators at the time were favourable to it and the conditions weren't quite so favourable to a system of that kind, I think, as they are to-day.
- Q There seems to be a strong impression among various operators, particularly in the domestic field, for some plan of this description, some centralization of the selling, and there is no definite plan given. For that reason it would be very nice if we could have someone like yourself define it.
- A Well, the system suggested at that time was that this organization be formed and a certain commission was paid and by the various mines per ton ~~of~~ the expenditure in marketing the coal was deducted as operating expenses for this particular sales company, and the profits that was made by that company, half was divided amongst the company itself and the other half went back to the mine operators pro-ratio to the amount of tonnage they contributed to the organization.
- Q That was in effect co-operative marketing?
- A Yes, co-operative marketing.
- Q One operator suggested it would be a saving of \$2.00 per ton.

A Oh, no.

Q Not that much?

A Oh, no.

Q I thought it was rather an extensive figure, myself, but you consider there would be a sufficient saving to guarantee putting it into operation?

A Yes, I think it would be a good plan.

COMMISSIONER DRINMAN: How much do you think it would save?

A It might save ten cents a ton.

THE CHAIRMAN: You also, in answer to Question 78, suggest controlling the opening of new mines. What plan of control had you in mind?

A Well, I didn't have any particular plan but it is very evident that there is too many open at the present time.

Q Have you any scheme whereby the number of mines can be controlled, that is, by government or by some other method?

A Yes, it was government control I referred to there and I was of the opinion that unless a party could prove they had a better article to put on the market, had natural conditions that would give them an opportunity to put it on the market cheaper to the consumer, that they should not be allowed to open.

COMMISSIONER WHEATLEY: Do you think the tendency of more mines being allowed to develop and coming into the association maintains higher prices?

A Well, I am not in a position to answer that; Really, I don't know how that would work out.

If the year's overhead expenses had to be met by all mines

it would naturally be assumed that it would be an excessive cost to the consumer?

A Well, there is no doubt if you have an excessive number of mines there is going to be a lot of unemployment and the mines are going to be idle a considerable part of the year and if a mine is idle - the longer a mine is idle during the year the greater overhead expenses and naturally the greater cost of the coal.

Q Do you think ~~if~~ this pooling arrangement of yours would stabilize that and extend it possibly over a better and wider market?

A I don't know what result it would have in widening the market; I don't think it would have a tendency to widen the market.

Q Might it extend the time of operation?

A No, I look at it purely as a matter of benefit to the mine and reducing the cost of producing coal, which would ultimately find its benefit with the consumer.

THE CHAIRMAN: In your comment on the Workmen's Compensation Act, you say: "Consider it too expensive in form of operation. The Act is unfair as it makes the operator responsible regardless of how the accident occurred. Method of assessment is radically wrong as it should apply to the employee rather than the employer. If the employee paid his own premium the employer could afford to increase wages and reimburse him to the extent of 3% and still make a gain on the transaction." Will you please explain a little further what you had in mind there?

- A When I referred to the Act being unfair, I mean the Act at the present time makes the operator responsible regardless of how the accident occurred. What I mean by that, I would divide the accidents into three classes, the first, No.1, is an accident for which the operator might be responsible either by way of defective plant or equipment; the second, cause, the accident might occur through the negligence on the part of some other fellow employee; the third cause of accident might occur through negligence on the part of the employee himself. At the present time all accidents are in the same class and the operator is held responsible for them all.
- Q Do you know of any Workmen's Compensation scheme, government scheme anywhere that attempts to discriminate between the classes of accident?
- A No, I do not.
- Q Do you think it would be easy in practice to determine to which class an accident belonged?
- A No, it might be a little more difficult than the present.
- Q The suggestion to have the employee pay the premium and advance wages to compensate him, how would that work out?
- A Well, it occurs to me at the present time that during the slack periods at the mine there are times when the men are not very anxious to return to work if they are on the injured list and by showing the workmen that that charge is against the industry and indirectly against himself, I would suggest that the premium be shown on the statement of every hundred dollars a man drew from the company's office a deduction of

\$3.00 for Compensation Board. If it was shown on his statement for this purpose that they would then place the Compensation Board in the same position as a number of our friendly societies we have; for instance, if John Jones and Tom Brown knew that Alex. Smith was malingering, on the sick list when they thought he ought to be at work, it would probably have the effect of getting Alex. Smith out to work a little sooner.

COMMISSIONER WHEATLEY: Have you some instances of this kind?

A Well, the only instances I have of our ordinary friendly societies, everybody knows if a man in these friendly societies remains on the sick list a little longer than he is entitled there is gossip around the lodge room that makes it responsible for him to go out.

Q No, but at the present time, do you find any man malingering around the mines at the present time?

A I wouldn't like to mention any names but I do know when work is slack at the mines that men do stay on the compensation board longer than I consider it necessary.

Q In view of the fact that they have medical referees and independent doctors?

A Yes.

Q How do they manage it? We have complaints the other way from amongst the men that have been chased off before they are ready to resume their obligations. Evidently there is a margin somewhere that seems to be fairly well balanced, if both sides are complaining the Compensation Board must be fairly well correct.

A Well, we know the Compensation Board charges are mounting all the time, going up.

Q Are accidents mounting?

A No, I don't think the percentage of accidents are getting -

Q I think they are mounting up some, particularly in the seasonal mines.

A Well, it may be we are reporting some accidents now that we didn't some years ago report, small accidents.

THE CHAIRMAN: What would you think of a half-way measure of this plan you suggest, show half the Workmen's Compensation charge on the workman's pay sheet and the employer pay the other half?

A I think it would have a similar effect of what I am suggesting.

COMMISSIONER WHEATLEY: Would that prevent malingering?

A Well, you cannot say very well what anything is going to do until you try it.

Q It would be the same human that would be paying that half himself as if he would be having the whole paid for him?

A Yes, he might -

THE CHAIRMAN: It strikes me as a quite interesting suggestion to show the responsibility for a charge on the industry. We will test that out as we go around and see what other people think of it.

A Yes, I think it is worth while trying.

COMMISSIONER WHEATLEY: Would it reflect benefit to the men?

A Well, the Compensation premiums are charged against operations and if the operating costs are reduced naturally the man will receive some benefit.

T. M. McGuckie

Q Owing to the fact that the man would be paying his quota if he is a malingerer, directly, /as some inference has been made by some, would he not claim he had more right to malingering if he was paying towards it himself rather than the operator?

A He might but the others would not and he would always be in the minority.

Q You cannot make a rule for the minority at any time?

A Oh -

Q It is rather difficult, I perceive, to establish it under those circumstances, if we can get a majority feeling that way I think the suggestion might be all right. I am glad to know that malingering is in the minority.

THE CHAIRMAN: That, I presume, is connected with your answer to Question 93, as to group insurance? You say, "Group insurance in connection with liability for accidents is both economical and effective where the employee pays his own premium and wages could be advanced to meet this extra cost to the employee?"

A Yes, along the same lines, with the same idea in view.

Q Have you any other general suggestions to make?

A No, I don't think I have.

COMMISSIONER WHEATLEY: What is your opinion of the Coal Mines Act?

A Well, I have nothing to say against the Coal Mines Act.

Q It is working satisfactorily to yourself?

A Yes.

Q Do your men take advantage of the privilege of inspecting the mine under section 90?

A Yes.

Q Do they defray the cost of that themselves?

A Yes.

Q Do you think they would take more advantage of it if some provision was made to pay these men?

A- Well, as I understand it, the men are paid.

Q Yes, they pay for it themselves.

A Paid from their own funds.

Q If there was a general fund established for that purpose would it be drawn on more frequently than it is?

A No, I don't think that would make any difference.

THE CHAIRMAN: Your answer to the question about seasonal unemployment, "Back to the land", is a short way of saying what Mr. Shanks said this morning, that the men should be miners and farmers, is it?

A Yes.

COMMISSIONER IRINNAN: You don't know of any way, Mr. McGuckie, whereby the domestic coal mines of Drumheller and Wayne can be kept working twelve months in the year?

A No, I don't know of any way they could be kept working twelve months in the year.

Q How many months in the year do you work?

A About seven, part time for seven months.

Q But your busy season is how long?

A The busy season would start on the 1st of October and finish up on the end of January.

Q Four months?

A Yes.

Q If there were fewer mines and fewer men working the season would be extended?

A Yes, the season would be longer.

THE CHAIRMAN: But how would it be extended beyond the time of demand?

A I think we have experienced some idle time due to the fact there has been a very high wage scale in effect.

Q Just how is that?

A The last four or five years, well, the high wage scales has been responsible for a number of smaller operations opening up through the country.

COMMISSIONER WHEATLEY:

/Q Are they paying high wages?

A My information is that they are not.

THE CHAIRMAN: They sell their coal cheaper than you do, then?

A Yes.

COMMISSIONER WHEATLEY: Just the differential that applies in wages, is that the difference, only? It is cheaper to the extent of being cheaper in wages?

A Well, I would not say what the comparison was but just to make my point clearer, you take for the month of January during the year 1924 and say that the non-union mines in the domestic field produced 42% of the total coal -

THE CHAIRMAN:

/Q Where did you get those figures?

A I have them compiled from the Government.

Q Picking out the non-union mines and their production in 1924 - ?

A 42% of the total domestic coal mined in the province . We had a reduction of wages last October of 1.17 per day and the production of non-union domestic coal in the province

for January of this year was 32%, a decrease of 10%, which I think we may attribute to the reduced wages at the union mines.

COMMISSIONER WHEATLEY: What do you define as non-union mines? You are not distinguishing between where there is no union and one that is not under the same organization as yours?

A I define as non-union mines, mines that are not paying the U.M.W.A. scale of wages.

Q Well, there are some mines that are not paying that scale that are organized and non-union mines, for example, Big Valley, that is a union mine; to say they are non-union production is hardly accurate.

A I meant mines that are not paying the United Mine Workers' scale.

THE CHAIRMAN: Is that the entire domestic field, Edmonton, Clover Bar - ?

A Yes.

Q What do you call domestic field?

A Coal that is being produced for household use.

Q Which fields did you take?

A There is Lethbridge, Taber, a number of them, I don't know if I can remember them all, Drumheller and Wayne, and Edmonton -

Q You didn't take Saunders?

A Yes, Saunders is domestic.

Q You took all those?

A Yes.

Q Would you like to put in those calculations as an exhibit? Are they in the form they can be - ?

CONFIDENTIAL

The following is a list of the names of the persons who have been identified as having been in contact with the subject of this report during the period from January 1, 1964, to January 1, 1965.

1. [Name] [Address] [City] [State] [Zip]

2. [Name] [Address] [City] [State] [Zip]

3. [Name] [Address] [City] [State] [Zip]

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12. [Name] [Address] [City] [State] [Zip]

13. [Name] [Address] [City] [State] [Zip]

A I will get them fixed up; they were hurriedly done this morning and I will get them in better shape.

Q Will you do that?

A Yes.

COMMISSIONER WHEATLEY: Your reference to cheaper fuel, in Question 94, how do you propose to cheapen that coal to the consumer?

A Reduce the cost at the mine.

Q By any particular machinery or by a reduction in wages?

A By introducing as much improvement as is possible with up-to-date machinery and by paying fair wages.

Q What class of machinery have you at the present time?

A Oh, I think you could describe it as being the latest equipment for a mine, in accordance with the best mining practice.

Q And the biggest part of your production is machine mined coal?

A All machine mined coal.

Q You suggest in that question the appointing of a controller over the opening of new mines with an object of getting cheaper coal, &c.&c. How could the fuel be produced cheaper by prohibiting the opening of more mines?

A Thereby reducing the ^{number} ~~principal~~ and consequently increasing the number of working days for the mines already in operation.

THE CHAIRMAN: Any other general suggestions that you worked out?

A No, I don't think there is anything further.

Q We will be in Drumheller and perhaps something else may -

A I am going down south; that is why I came to-day.

Q Well, thank you very much.

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ROBERT M. YOUNG,

Being recalled, was examined by:

THE CHAIRMAN: Mr. Young, you were sworn. Your present position?

A Secretary of the Western Canada Coal Operators Association.

Q How long have you held that?

A Since April, 1921.

Q Previous to that were you connected with the coal industry?

A I was with the Crownest Pass Coal Company at Fernie, B.C.

Q How long?

A Between sixteen and seventeen years.

Q It was stated this morning by Mr. Shanks that one of the main objects of the Association was the negotiating of wage scales?

A Yes.

Q I would like you to give us, if you will, the history of such negotiations extending, as far as you can judge from the records, back of the time when you have been in charge yourself. If you could just start and take it in chronological order.

A Well, I looked at some of the agreements, Mr. Evans. I found that the first agreement between what was, at that time, the Western Coal Operators Association - there was a reorganization later which amounted to little more than a change of name - the first agreement was in 1907 between the Association of the United Mine Workers of America, District 18; that was for a period of two years. The next agreement was in 1909.

Q What date in 1909, effective what date?

A It was from the 1st April, I think the agreement itself is dated June.

Q Effective from the 1st April, 1909?

A To March 31st, 1911. At the end of the agreement of March 31st, 1911, there was a rather prolonged strike of something like eight months, after which a new agreement was made on November 17th, 1911, to last for four years, to March 31st, 1915. On the 1st April, 1915, a new agreement was made for two years, to March 31st, 1917. Before the expiry of that agreement certain changes occurred. I have a blue print here, Mr. Evans, in which some of these changes can be followed, perhaps, as I go along. (producing) You will note that after the agreement of 1909 there was a change of 10 per cent. in the day wage rates.

Q An increase of ten per cent.?

A An increase of ten per cent., yes.

COMMISSIONER WHEATLEY: To what class?

A All classes. I think in 1909 it was a general flat increase on all day wages.

Q 3.30 - take the miner for a base.

A He is on the 4th page; yes, the miner was from \$3.00 to 3.30.

THE CHAIRMAN: Supposing we follow him right through.

A Well, it won't be possible to do that in all cases because there are differences. You will notice in the agreement of November, 1911, there was no change; that was renewed to 1915, the rate remaining the same.

Q Well, it was renewed in 1915?

A It was renewed in '15, yes; there was no change at that time.

THE END

It was a very long time, I think, before I had seen
him again.

When I saw him, he was very old.

He was very old, and he was very weak.

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COMMISSIONER WHEATLEY: Are the \$3.00 applied in 1911 to be carried forward to 1915 - the 3.30, I mean to say?

A Yes.

THE CHAIRMAN: And it was renewed in 1915?

A 3.30, yes. Then in 1916, that '15 agreement had two years to run but in 1916 there was a demand for an adjustment; I think I have a memorandum.

Q A demand by whom?

A By representatives of the men. (Hands in Pamphlet)

Chart above produced marked EXHIBIT 20

Pamphlet handed in marked EXHIBIT 21

Q So that, you say, in 1916 there was a demand by the men for a readjustment?

A For a readjustment which, after some negotiations, was conceded on the basis outlined under the heading "War Bonus of 1916".

Q Was there any cessation of work in connection with that demand?

A Well, speaking from memory, I don't think there was at that time.

Q May I take you back. The renegotiating of the agreement that expired in 1911 caused an 8 months' strike, or was accompanied by an 8 months' strike?

A Yes.

Q The agreement as of the 1st April, 1915, how was that obtained? Was there any cessation of work?

A No, just negotiation.

Q And, according to your recollection, there was no cessation or strike?

A No, I don't think so.

COMMISSIONER DRINNAN: Only at one or two mines for a few days.

A Speaking from the Mines Branch Report - well, this only gives us strikes affecting all the larger mines of the province, but I don't find the year '16 referred to,

COMMISSIONER WHEATLEY: Was it not British Columbia that was affected by the strike only?

COMMISSIONER DRINNAN: And Lethbridge. During the negotiations for what is known as the War Bonus Fernie and Lethbridge were affected for a few days.

A I confess I don't remember it as an outstanding occurrence, anyway.

THE CHAIRMAN: The next column is 16th November, 1916; what happened then?

A There was a further demand for what became afterwards known as a Government Bonus. I believe that demand was based on the claim that the cost of living had gone up very considerably and the amount of 1.75 a week was stated as being equivalent to that increase.

Q Yes, and 1917?

A These two bonuses lasted until the expiry of the agreement of March 31, 1917. Negotiations were entered into under the terms of the agreement and a new agreement was made between the officers of the Union and the representatives of the Association, which consolidated the previous two bonuses into the general rates, and that agreement was

Q Now, I don't think so.

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Q Now, I don't think so.

signed - -

Q- You say the hours were also reduced one hour per day?

A Not at this time.

Q You have it in your text?

A Well, probably it was. I will explain this as I go along. This agreement was put to a referendum vote of the men and was rejected by them. The Government then appointed R. F. Greene - he was a representative from West Footenay - he came out to Calgary and met the parties and made a decision adding $7\frac{1}{2}$ per cent to the rates which the two parties had already agreed to.

Q Under what Act was he appointed?

A Well, just a special commissioner to see if he could not continue the operation of the mines without a definite stoppage; it was during the war period and the Government was anxious - -

COMMISSIONER WHEATLEY: Was not the War Measures Act - ?

A Well, I don't know that I'd say he was appointed under that. Mr. Armstrong was subsequently appointed under that, but what authority Mr. Greene had when he came out - I don't think I ever remember seeing his commission under the War Measures Act.

Q He originated under that source and it was transferred to Mr. Armstrong; was that not the case?

A It might have been; he never held any position ~~except~~ other than just a representative for the occasion.

Q Quite so.

A That new agreement was to be effective for two years from

April 1st. Part of the arrangement at the time was the appointment of a Director of Coal Operations and the appointment also of a Cost of Living Commission to sit quarterly and make findings as to the changes in the cost of living, the changes to be added to or subtracted from the agreement in existence. As far as that year was concerned, there were two additions, one in August of 20¢ and one in December of 14¢. In the agreement which was made in April of that year the hours of work were reduced for outside employees one hour per day.

Q Making them?

A Well, the men at that time outside were working from eight up to twelve hours, I think, if I remember right. Yes, the vast majority of employees were ten hour men outside. That is in April 1915 Column, but specific occupations varied from eight to ten, for example, power house engineers -

Q He was eight and remained at eight?

A He was eight and remained at eight and there was a twelve hour rate also.

COMMISSIONER IRINNAN: At a different rate of pay?

A Well, I think the rates of pay were not modified to equal the change in the hour; the hour was an extra concession.

Q At that time the outside day was ten hours?

A Yes.

COMMISSIONER WHITLEY: All outside laborers at that time worked ten hours?

A Yes.

Q With a few exceptions.

COMMISSIONER IRINNAN: Blacksmiths and carpenters, machinists all worked ten?

A Yes, as I say, the majority of rates outside were ten but for various specific occupations they varied from eight to ten.

COMMISSIONER WHEATLEY: Fan men were twelve hours?

A Yes.

THE CHAIRMAN: I see the breaker oiler was 11 hours and he is reduced to 10 hours; he got 3.47 for 11 hours and after he got 3.40 for 10 hours?

A Well, that comes about, in that particular case - you will notice that the original increases that is the war bonus of 1916, was 10% to that man and the government bonus in the following column was 29¢. Well, when these were consolidated in certain cases they were changed to a flat percentage.

Q Or flat rate?

A A flat percentage; under the heading of tentative agreement, they became $17\frac{1}{2}$ per cent., in other words 20¢ was taken as if $7\frac{1}{2}$ per cent. Take the coupler man just a few items above that; he got 28¢ and then 29¢. Well, the addition, then, under the tentative agreement, in his case the 28¢ was left but the 29¢ was put down as $7\frac{1}{2}$ per cent. That is why, in a few cases, the amount was less than it had been in the column previous. Then under the next column, what is called the Greene award, that again added $7\frac{1}{2}$ per cent. to that, and that is where your first change in hours comes in. In the following year - -

COMMISSIONER IRINNAN: Was there a strike at that time?

A In 1917? There was a strike after what we called the tentative agreement was rejected; I don't know whether it would

include all the mines or not; I think it lasted something like three months.

THE CHAIRMAN: Yes, in 1918?

A The only changes were the cost of living commission awards.

Q And those are increases?

A Increases, in April 20¢, in August 25¢, in December 13¢; those total additions were 92¢ per shift; and before the period for another award the commission was discontinued. The next change in the rates was in April 1st, 1919, when, by the order of Mr. Armstrong the hours of work were all reduced to eight hours. The basis of that change, as far as the rates were concerned, was that the eight hour rates continued unchanged; the nine hour rates were reduced - - the amounts remained but the hours were reduced to eight and, in the case of the ten and eleven hour rates, they were adjusted on the basis of eight hours' work for nine hours' pay. Ordinarily the two parties would have entered into negotiation at that time to make a new agreement as that was the expiry date of the 1917 agreement but conditions were unsettled and it was mutually agreed by both parties to carry on the old agreement for the time being. In December, 1919, all the rates in the agreement were increased 14%, following a similar increase in the United States. Those rates continued until April, 1920.

Q That is the last reference I see to Mr. Armstrong as Director of Coal Operations. When did he cease to function?

A I think he continued, Mr. Chairman. In April, 1920, the new agreement was made for two years, when additional

increases were granted. In making a record of these increases it should be noted that the 14% of December, 1919, was cancelled and in April, 1920, the day wage rates were increased 27%. The contract tonnage and contract yardage mining rates, except in the lignite field, were increased 27%; contract rates in the lignite field 24¢ per ton, yardage, room turning and dead work 20%, and the cost of living bonus of 92¢ was also increased by 27%.

Q Which made it?

A 1.17. In October, 1920 -- well, I should say before that - The agreement running from April was really made in June, 1920, for two years, but in October, 1920, a further demand was made for increases on the day wage employees. The net result was that they were increased by cancelling the 27% increase of June, 1920, and adding a flat amount of 2.50 (day?) per man/to the men's rates and 1.35 to the boys' rates, as they had been on April 1, 1919.

COMMISSIONER WHEATLEY: That was a consolidation of the above percentages?

A No, it was a considerable addition to them.

THE CHAIRMAN: Is it a direct addition to those April 1st percentages?
It is.

A Yes.

COMMISSIONER WHEATLEY: The rate of pay under these percentages referred to was 6.35 to the miner. Will you look at that? And then there was 1.15 added instead of 2.50, which made 7.50?

A Yes. Well, I understood you to -

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THE CHAIRMAN: What is that 2.50 added -

A Added to April, 1919.

Q Added to the 1919 rate?

A Yes, that is to \$5.00.

COMMISSIONER WHEATLEY: That should be 1.15 instead of 2.50?

A No, it should not, as the blue print explains it, extends the column to which it is added. It is correct, if you will read it.

Q That is what I say: It was included in the whole of those percentages, and you said, No.

A You asked me if it was a consolidation of the rates; it was not a consolidation of these percentages because it is a greater sum than those; it was in place of them and additional to them.

Q It was the day wage rate then, at that time, 6.35; that was a fixed rate. There was an additional rate that came in to the United States, that was 1.15 to the men and 1.35 to the boys.

THE CHAIRMAN: That is quite clear, Mr. Young?

A Yes.

Q At that time was that demand granted without a strike? Was there a strike in 1920?

A No; I think, if I remember, it was granted without cessation of work. I should say before we leave the rates, Mr. Chairman, that the contract rates, there was no change.

Q The contract rates remained unchanged?

A Yes.

Yes, that is the 1.50 value.

1.50 value.

Added to the 1.50 value.

Yes, that is to 3.00.

THEY ARE: That should be 1.50 value.

1.50 value.

the column to which it is added. It is added, 1.50 value.

read it.

That is the 1.50 value.

1.50 value.

You added 1.50 to the 1.50 value.

was not a 1.50 value.

is a number and then 1.50 is added to it.

additional to them.

It will be 1.50 value.

1.50 value.

come in to the United States.

and 1.50 to the box.

That is the value.

1.50 value.

1.50 value.

1.50 value.

1.50 value.

1.50 value.

1.50 value.

Q You say all changes from and after October, 1920, will show in the printed book and supplementary agreements?

A I will file these agreements from the beginning.

Q It will be splendid if you can.

Agreements put in and marked EXHIBITS 22 -
A, B, C, D, E, and F.

Q Have you something else you are ready to put in?

AA Yes; you asked in connection with strikes. The Federal Government, in its annual report regarding strikes, has a statement that during 1919 a strike affecting all the larger mines in District 18 lasted three months; in 1911 a similar strike last eight months; in 1917, three months; in the period from March 31, 1919 to March 31, 1920, 58 pit-head strikes occurred throughout the district affecting 10,006 miners, causing a total loss of 502,405 working days and a monetary loss in wages of two million and a half; and in the period from March 31st, 1920 to March 31st, 1921, 38 pit-head strikes, with the loss of 57,582 working days and an equivalent loss in wages.

COMMISSIONER WHEATLEY: Is the causes shown?

A No; they may be shown in the Government bulletin; I have just took down the information I have given you.

Q There were strikes but you have no reason given - - ?

A Classified by the federal government as strikes.

Q But they don't state any reason for them, whether the companies were responsible for them or the mine workers?

A No, I have taken them, as I said, from the Government bulletin; I don't think any reason was given for them.

It will be splendid if you can.

Agreements not in and between
A, B, C, D, and E.

Give you something else you are going to say in

less; you called in connection with a letter. The letter

at, in the annual report regarding the letter and

statement that the letter is a letter following all the

letter which is in the letter in the letter; in 1911

letter which is in the letter; in 1911, the letter

in the letter from March 21, 1911 to March 21, 1911, the

miners, containing a total of 100,000 letters in

letter, from the letter of 100,000 letters and a letter;

and in the letter from March 21, 1911 to March 21, 1911,

38 letters, from the letter of 100,000 letters and a letter;

Would you accept my statement if I said that the men were responsible, or the companies?

Q No, it is just to give the Commission an idea of the cause of these strikes.

A Well, as a matter of opinion, if you enter into negotiations with a man and you fail to agree with him and it takes you three months' idleness until you finally sign up, my opinion would be that the other man was to blame and he would say that you were.

COMMISSIONER DRINNAN: Take the 1917 strike, what would you say happened?

A Well, I would say, in regard to the refusal of the tentative agreement, we have always been given the impression that the United Mine Workers of American officials represented and acted for their men and that when they made an agreement with you it would be acceptable to the men. I wouldn't say that in that case the companies were to blame.

Q By process of deduction, it must be the other fellow?

A Yes.

THE CHAIRMAN: You have put in the Constitution of the Western Canada Coal Operators Association; is there something else --?

A I just want to refer to the fact that the October agreement made in 1924 reduced wages -

Q Oh, yes, we have not got right up to date yet, have we?

A No, not quite.

Q Please go on with that.

A Reduced wages by 1.17 - let me see that - - the contract men were reduced by 1.17 per day; that is, the high cost of living bonus, which had been added as a separate item to

to their wages was dropped and the day wage men were reduced by 12½ per cent. The agreement was made for three years, unless sooner terminated by six months' notice in writing, which notice was not to be given before March 31st, 1925.

Q It was made in October but it was three years from the 1st of April, 1924?

A Yes.

Q Then what happened? Was such notice given?

A Such notice was given.

Q And that is the present position?

A That is the present position as far as the Association is concerned.

COMMISSIONER WHEATLEY:

/Q Was a conference held prior to that notice being given?

A Yes.

Q And what happened?

A No change.

Q No change?

A No change in the contract, no.

Q Was any change discussed or any proposals offered?

A Yes.

Q What were they, Mr. Young?

A The Association proposed - - If it is the intention of the Commission to go into this one might as well go into it fully. The mines in this field, after the conclusion of the agreement in October, 1924, particularly the bituminous mines, continued to run a little more than a day a week, with a few exceptions. The result of that was that the associa-

tion felt it desirable to bring to the United Mine Workers of America official attention the fact that they could not secure business except to an almost valueless amount under the existing agreement and that, if the United Mine Workers' officials agreed with them that it was desirable to take some steps to change the agreement to a basis which would give steadier work, that the Association was prepared to meet them or to extend an invitation to them to meet them. The United Mine Workers' officials replied that, while they might not agree with us as to the reasons for the situation, they would meet us. They did meet us and after some preliminary discussions we were asked what we had to suggest. The Association suggested the scale which had been put into effect already at Fernie, B. C., by the Crowsnest Pass Coal Company, which had been a member of the association but had resigned from it. I think we held three meetings altogether. In the first meeting the miners' representatives asked for an adjournment and met us again a few days later. At the second meeting they proposed what is known familiarly in this district as the Knowles award.

Q How does that compare with the Fernie scale.

A It was somewhat higher. We could not get together on that basis and negotiations were continued at the second meeting and when the miners' representatives left us that night it was to meet again the following morning at eleven o'clock and we had the impression, which may have been incorrect, that they were prepared to sign up on the basis suggested by us. The following morning, however, they ~~XXXX~~ advised

tion told it desirable to bring to the United States
of American official attention the fact that they could not
the existing agreement and that, if the United States Government
officials agreed with them that it was desirable to take
some steps to change the agreement to a basis which would
give steadier work, that the Association was prepared to meet
them or to extend an invitation to them to meet here. The
might not agree with us as to the reasons for the situation,
they would meet us. They did meet us and after some preliminary
discussion we were asked what we had to suggest.
The Association requested the points which had been made and
effect already at Toronto, B. O., by the Government and
was assigned to it. I think we held three meetings after
that. In the first meeting the subject was discussed
and an adjournment and not on again a few days later.
In the second meeting we discussed the subject and it was
ly in this district as the known area.

us that they were not prepared to concede any change at all in the agreement, that we could go ahead and give notice on March 31st and they would see what would happen in October. That is the record of our negotiations, as far as I remember it, Mr. Wheatley.

Q You made a reference to many pit-head strikes there, and you have no record why these pit-head strikes were brought about at all, yourself?

A Oh, no. As a matter of fact, Mr. Wheatley, Mr. F. E. Harrison, who was assistant to Mr. Armstrong during his tenure of office, as director of coal operations, prepared a rather comprehensive statement in which I think the pit-head strikes, the number of days lost in each case and what it was about was all set out. Now, I think it might be possible, before this Commission closes its sittings, to secure a copy of that if the information is desirable.

Q You have a copy?

A Well, I haven't but I think I could get it; I remember seeing it.

Q I know they were many and varied and it would be very interesting to see.

A I do know of some pit-head strikes that occurred since I came up here; for example, we had one or two pit-head strikes at Drumheiler; we had a pit-head strike at Canmore.

Q What do you consider to be the principal cause of these, in delays in negotiations or methods of getting down to an adjustment of disputes?

A Well, I don't know. It may be due to delays but the delays

are not on our part, that is, according to the procedure under the agreement, a case is jointly submitted by the mine and by the miner's officials to Calgary.

THE CHAIRMAN: To you and to the District officials?

A To the office and to the officials of the United Mine Workers of America. Now, I have never had any of the officials of the Union suggest to me that the reason for a pit head strike was delay in dealing with the matter as a committee; as a matter of fact, when a pit-head strike - it usually occurs because the men don't intend to wait for a committee; that has been my experience.

Q Do you find it usually some extreme thing that has caused it?

A Well, it depends what you would call extreme; for example, a case I have in mind at Canmore, it was the case of two men who were discharged. In one pit head strike case at Drumheller there were a number of reasons but of that number only two, I think, had been sent in to Calgary; one of them was a discharge or the refusal to employ a man named Conroy. You probably remember that case; and I think, as a matter of fact, that was the only matter, and yet that strike lasted three weeks. The other matters that were involved in it had never been taken up as far as Calgary.

COMMISSIONER WHARTLEY:

Q I recall another instance of a pit head strike, where the reduction of twelve hours, or eleven hours rather, in that particular case, came down to an eight hour day with a nine hour pay gave the particular men, skilled men, less than the common laborer outside; no adjustment was made, which resulted in a pithead strike.

are not on our part, that is, according to the procedure
under the agreement, a case is jointly submitted by the
mine and by the miner's officials to the Commission.

Q. To you and to the District officials?

A. To the office and to the officials of the United Mine

Workers of America. Now, I have never had any of the

officials of the union expect to see the person for a

pit head strike was being in dealing with the matter as a

matter; as a matter of fact, when a pit head strike

it usually occurs because the men don't intend to work for

a committee; that has been my experience.

Q. Do you find it usually more expensive than that has been?

A. Yes, it is more expensive than that has been.

Q. I have in mind as I remember, it was the case of two

men who were discharged. In one of the strikes was the

Industrial there were a number of reasons for it that night

only two, I think, had been sent in to testify; one of them

was a discharge on the refusal to employ a man named Gorman.

You probably remember that case; and I think, as a matter

of fact, that was the only matter, and that was the only

case. I think that was the only case that was reported in 1911.

Q. I think that was the only case that was reported in 1911.

A. Yes, that was the only case that was reported in 1911.

Q. I think that was the only case that was reported in 1911.

A. Yes, that was the only case that was reported in 1911.

Q. I think that was the only case that was reported in 1911.

A. Yes, that was the only case that was reported in 1911.

Q. I think that was the only case that was reported in 1911.

A. Yes, that was the only case that was reported in 1911.

Q. I think that was the only case that was reported in 1911.

Robert M. Young

A Was that the case of the fan men?

Q Fan men and pit head men.

A That was in 1919, when Mr. Armstrong was still in charge?

Q Yes.

A Was the matter taken up - -

Q Some of the pit head strikes possibly are justified?

A Well, I don't remember at the moment whether Mr. Armstrong made a ruling on that or not.

Q Yes, he did make a ruling afterwards that there should be no rates less than the outside laborer's pay, but the companies would not concede that point until Mr. Armstrong gave a ruling.

A I remember quite a long time ago, you were President of the United Mine Workers of America, and my predecessor, Mr. MacNeill, in connection with a matter referred to them which involved the question of a pit head strike, ^{they} ~~he~~ there came to a decision in which they said they could not imagine any circumstances under the agreement between us by which a pit-head strike was justified. There is a procedure laid down in this agreement, and they put their foot down for all time as the representative officers of both sides against the idea that under some circumstances pit head strikes were justifiable.

Q Well, where a skilled man was getting less than a laborer's wage there seemed to be in that instance some justification? It was verified later, by Mr. Armstrong's ruling.

THE CHAIRMAN: Yes, it might have been justification for a readjustment but why the justification for a pit head strike?

Was that the case of the first case?

Yes, men and the head was.

Yes.

Was the matter taken up -

Some of the pit head strikes possibly are justified.

Well, I don't remember at the moment whether Mr. Armstrong

made a ruling on that or not.

Yes, he did make a ruling. He said that there should be

no strikes less than the general strike, but the con-

ference would not concede that until Mr. Armstrong

gave a ruling.

I remember quite a long time ago, you were President of the

United Mine Workers of America, and my predecessor, Mr.

Wells, in connection with a matter referred to then which

involved the question of a pit head strike, he came to

a decision in which they could not make the

distinction under the contract between which which a

rule mine was justified. There is a procedure with

in the agreement, and they put their foot down

on the matter and they said we would not make any

distinction between the two. The head strike was

justified.

Well, there is a distinction and we would not make any

distinction between the two. The head strike was

justified.

Well, there is a distinction and we would not make any

distinction between the two. The head strike was

COMMISSIONER WHEATLEY: Because the Company would not at that time pay these men -

THE CHAIRMAN: Did they have recourse to the process under - -

A It was one of the cases, Mr. Evans, where they struck first and then took it up with Mr. Armstrong afterwards.

COMMISSIONER WHEATLEY: No.

A Didn't you say yourself a moment ago that afterwards the ruling was issued?

Q By Mr. Armstrong?

A Yes.

Q But we saw the companies in that case and they stayed strictly with their interpretation on it, which Mr. Armstrong over-ruled.

THE CHAIRMAN: Of course, I am not sure that it is very important for us except by historical reference to understand what happened under the War Measures Act and Mr. Armstrong's regime. What is important for us to understand and report to the Government is enough of the history to show the attitude of the operators on the one side, the union officials and the men on the other, in this particular field, if possible by reference to similar attitudes in other fields, and I think it is ^{with} ~~to~~ that point of view you want to examine into the introduction of Mr. Armstrong's war measures conditions - it would lead us into discussions and matters that have very little present importance.

A The only thing is this, that in touching upon Mr. Armstrong you are touching upon the same final authority that you would touch on to-day if you referred to an independent chairman.

He did those things. You have got your same agreement to-day and one could ~~possibly~~ deal with it as of to-day only that the difference in the present agreement, the clause covering settlement of general disputes provided the machinery. Naturally if you have a dispute, we will say if Mr. Wheatly is on the other side, he thinks my attitude is unjustifiable and I think he is, and we go through the various steps and if we cannot agree we wind up before an independent chairman; as long as the chairman is there and the opportunity to get that independent decision, there is no opportunity for a pit head strike.

COMMISSIONER IRINNAN: Does not the clause say if any dispute comes up all men will remain working -- until -- ?

A Yes, except in the case of a man discharged

COMMISSIONER WHEATLEY: But here is an instance where a less standard of wages established on skilled men than there was on laborers.

THE CHAIRMAN: We will perhaps come back to some of these matters again. You have put in the Constitution of the Western Coal Operators Association, which will be Exhibit 23.

Said Constitution marked EXHIBIT 23.

Q I am quite anxious to get clear on what an agreement signed by this association really means. From what we heard this morning, it is signed by an association whose members individually can at any time withdraw from the association and therefore cease to be bound by the agreement. Am I correct?

A Well, once they withdraw from the association what they are and what they are bound by may be their own business but

Robert M. Young

they cease to be in a position where we have any jurisdiction over them.

Q Well, we were told this morning that the only form of discipline which you have as an association over any member was to expel him from membership.

A That is all.

COMMISSIONER DRINNAN:

/Q The Association has no legal status?

A No.

THE CHAIRMAN: You are not incorporated under the Benevolent Societies Act? or anything else?

A No.

Q You said that the operators could not secure business under this agreement. Why couldn't they?

A Well, my understanding is that they could not compete with coal coming in from other districts to a greater degree; that gave them practically a day or two a week.

Q I think we have got to get right down to the bottom of this because I know we will meet it before we are through our discussion. They could not compete; why?

A Their coal was more expensive to produce.

Q- More expensive than what?

A Than coal from other fields coming into Canada.

Q You mean that their cost was above their possible selling price; is that what you mean?

A Oh, I don't go ~~xxx~~ so far as to say there is a loss. I want to say that I am not in possession of the information you are. They don't furnish me with their cost and selling price.

... we were told with regard to the ...

... to expel him from membership.

That is all.

... You are not interested in the ...

... that the ...

... other ...

... day or two ...

... to the ...

... we will meet ...

Q Well, I am not drawing on that information. As a matter of fact, I have not worked them over yet and I have not got them in my head. No, I am taking a hypothetical case. You say they could not compete. I have seen a statement in the press by representatives of the district that they were bound to operate their mines, under this agreement.

A Bound to operate them?

Q That is what I am asking you. Are they bound to operate? That is the impression.

A Well, if I were an operator and losing money I would not consider myself bound to operate, no.

COMMISSIONER IRINNAN: You cannot operate if you have no one to ship the coal to.

THE CHAIRMAN: But at a price you would have someone to ship coal to.

COMMISSIONER IRINNAN: Oh, I question that.

A It would be perfectly correct, Mr. Evans - at a price.

THE CHAIRMAN: The importance of this matter for us to understand and report on is that it is clear from the record that the industry has suffered from strikes, irregularity of production, making it very difficult for them to hold business they can get and we have got to delve into all the causes for that; and the remedy that is suggested by various operators ^{is} ~~are~~ agreements made for a period of five years. One man says they would have constant conditions. Now, then, if an agreement made in October does not really operate at all, there is something more wanted than an agreement of associations. That is what I am trying to get at.

A Well, I take it that you mean if either party breaks or is forced to break the agreement they might as well not make one?

Q Yes, supposing that is my meaning, what would you say to that?

A I say it is the culmination of the type of agreements we have been asked to make during the past ten years. To the best of my knowledge since the Association was formed it kept its agreements and lived up to them for the natural term of those agreements; I don't know of any case where it didn't.

Q Is there any other case in which withdrawals took place as at present?

A Not that I know of; this is the first instance I know of.

Q And on the other hand, on the part of the men, I think twice in 1916 and again in 1920, in spite of existing agreements, they came back saying, "We agreed to do this but we find we cannot."?

A Yes, and the reduction of hours also was during the life of -- no, perhaps it wasn't; it was in April, 1919.

Q If this agreement was signed by the association and then also by the individual operators, would that make it a more binding and lasting arrangement?

A Well, to all intents and purposes, Mr. Chairman, it is signed by the individual operators. When they make the agreement they intend in good faith to keep it if they can operate under it. These men - I take it you are referring to the recent situation - take the case at Fernie. The representative of the Crownsnest Pass Coal Company emphasized in

1. I have been told that you are a very good person.

2. I have been told that you are a very good person.

3. I have been told that you are a very good person.

4. I have been told that you are a very good person.

5. I have been told that you are a very good person.

6. I have been told that you are a very good person.

7. I have been told that you are a very good person.

8. I have been told that you are a very good person.

9. I have been told that you are a very good person.

every possible way he could during the negotiations that the 1.17 reduction would not enable him to operate his mine at Coal Creek to such an extent, in fact, that he was finally told by the Minister of Labor, "We have heard from you enough; I would like to hear from these other gentlemen."

Well, when the agreement was finally made it applied to him just as to the others. He attempted to operate; he couldn't and ~~the~~ closed his mine down.

COMMISSIONER WHEATLEY: Did he ever open the Fernie mine on the new scale?

A Yes, Mr. Wheatley.

Q At 1.17 reduction?

A Yes.

Q My memory is at fault, then.

A Well, that was my information; they started up and ran for a few days and then closed her down.

Q With what staff?

A Oh, I don't know; I wasn't down there; but I think they were under the impression that they could get some business and they started in and after they had made some enquiries they found they couldn't and they closed it down and posted a notice.

COMMISSIONER IRINNAN: On whose suggestion did they open up again?

A I understand on the suggestion of the men themselves.

Q The men suggested the reduction?

A Yes; they came to the company and asked them on what basis they could reopen their mines.

...the I.I.V. reduction ...
...at least ...
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...Well, when the ...
...just as to the ...
...the ...

...the ...

...?

...?

...I.I.V. reduction

...my memory is ...

...a few days and then closed ...

...with what ...

...on, I don't know, ...

...under the ...

...they started in and after they ...

...found they couldn't and they closed it down ...

...when did they open ...

...I ...

...the ...

...they ...

...the ...

THE CHAIRMAN: You see the difficulty more clearly than I do because you are more familiar with the problem. What is necessary, in addition to this type of agreement, in order to get that security of operation that they all think is so desirable? This doesn't do it, apparently, on either side.

A I don't think there is any form of agreement any more binding than that, Mr. Evans; but I think what has brought this agreement to its position today is the type of negotiation that tries to impose conditions in some other district in this district irrespective of conditions in it.

COMMISSIONER WHEATLEY: By the same line of reasoning, that you didn't run your mines and kept them closed against the men, if they find, under this new condition, that they are unable to make a living wage, they, too, will be justified in staying away from the mine, and thus sabotage the whole agreement, as you did?

A That is your statement, Mr. Wheatley.

THE CHAIRMAN: That is an expression I don't know the meaning of.

A Your men, if they took that course, would certainly be establishing no precedent.

COMMISSIONER WHEATLEY: No, they would get it from the operators' last action, I presume?

A They have been doing it since 1916 themselves.

THE CHAIRMAN: We have had three cases in which the men, during the currency of an agreement, have come back after the negotiations. Do you know anything about -- of course, you don't, of your own personal knowledge, know anything about the practice in this regard, in England, for example?

A No, I don't know in England; I do know something about the States.

Q What about agreements in the States?

A It has been practically the same thing there. Changes have occurred, and been demanded and asked for and conceded during the life of an agreement.

Q On both sides?

A Yes.

COMMISSIONER WHEATLEY: In 1916 there was some justification, evidently, for the men's attitude, in that increases were granted. They would not have been granted, I take it, if they had ~~xxxx~~ not ^{been} justified.

A Oh, well, if you want to give evidence you can come down here and give it, but the mere fact of an increase being granted does not mean there is justification for it.

Q Well, what justification would there be, then? Would you say ~~they~~ was granted out of philanthropic motives, then, in 1916?

A No; none of the increases were ever granted for philanthropic motives, as Mr. Wheatley fairly well knows.

Q They must have been justified, then?

A Well, that is the point, then; the only point your Chairman mentioned was that the agreements have not been carried to maturity.

Q The opportunity has occurred to the operators in this/instance to ~~xxxx~~ keep their mines closed. For some economic reason they say they are unable to operate. At that time, in 1916, when you make a similar reference to it, requests were made

from the men for increases and were granted?

A Yes.

Q And the market could be established with those increases?

A Yes.

Q Why the change in this particular case?

THE CHAIRMAN: It seems to be a similar process now.

A A change in what?

Q In 1916 the men were granted increases and this time, by a round-about process, the operators are being granted their decreases.

COMMISSIONER WHEATLEY: Which will justify the men in the future to take the same action.

THE CHAIRMAN: No, but they have done it in three times in the past and this is the first time the operators have done that. Let me ask you this question. Under an agreement fixing a rate of pay is any miner compelled to go to work?

A Or leave the property, do you mean?

Q I mean, he is not compelled to go to work, is he?

A Oh, no.

Q Would you say, conversely, that under the agreement no mine is compelled to operate? Would you say no operator is compelled to operate his mine?

A I don't think there is anything in the agreement other than a moral obligation.

Q No, but is there a moral obligation on the mine operator to operate his mine? I want to get the thing clear in my mind. Does it nearly say that if the mine is operating, on the one hand, and if the workman, who is a member of the union, is

working, on the other hand, then the payment will be of a certain amount?

COMMISSIONER DRINNAN: It is a wage agreement.

THE CHAIRMAN: It says, the wage shall be this but doesn't say there shall be work done by the one man or any operation by the other, and yet, in the result, it does not build the stability of operation the way these people desire.

MR. YOUNG: I don't know anything about stability; it does not build continuity.

Q Well, have you any remedy to suggest looking towards continued operation?

A No, I don't know that I have outside of the fact that I believe that a modification of the high scales that we have had here for some years will permit extension of markets and increase the output that can be taken care of by these mines. I think the number of days worked in the year has been not unreasonable in the steam coal mines but in the domestic mines, in the Drumheller field, for example, I think that is and always will remain a seasonal occupation.

Q Will you please trace in detail the machinery that exists here for the adjustment of a grievance? Perhaps I can help you to what I want to know by referring to the machinery that exists in the State of Illinois, which is set before me in a chart.

A Well, we have it in very short form in our own agreement.

Q Just follow this chart, to see if it would apply.

A Yes.

Q This states the individual workman takes his grievance up

with the mine foreman.

A That follows.

Q If unsuccessful it goes to a pit committee.

A Yes, and the local management.

Q After that stage it goes - If you will set up, please, your equivalent to that.

A Well, we start with the individual workman and the mine foreman; then we go from that to a pit committee on one side, which may include the president of the local union, and the mine superintendent on the other side.

Q Which may include - -

A Well, he may not necessarily be on the committee but he has a right to be, if he wants to. If they fail to agree it goes through that same committee before the general manager, with the general manager.

Q Taking the place of the mine superintendent?

A Yes. If they fail to agree then it is sent by the local committee to their district officers and by the management of the company to the office of the association.

Q That is, to yourself, on the one side, and District 18 on the other side?

A Yes, but the mode in our case is of three representatives on each side.

Q Not you individually?

A No. On that last committee there are two district officers and one representative of the local.

Q That makes their three?

A Yes; and in our case it is the general manager of the company

That follows.

It is a very important point.

And, that the same is true.

Also that there is a great deal of work to be done.

your committee to the

well, we want to see that the work is done.

men; then we go back to the work that is to be done.

And, that the work is to be done in a very efficient manner.

And, that the work is to be done in a very efficient manner.

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And, that the work is to be done in a very efficient manner.

and one other nominated by him and myself. And if we fail to agree there is the provision under the agreement by which we can apply for an independent chairman.

Q Does he act alone or - -

A Well, it amounts to that, practically. According to the wording of the agreement it is supposed to be a report of the committee of seven but, as a matter of fact, nine times out of ten the chairman makes the award.

Q And is his decision, by the agreement, supposed to settle it?

A Finally, yes.

Q How many times, roughly, in a year is advantage taken of this machinery?

A Well, oh, I would say it probably, taking all the cases that are referred to my office and that are settled - sometimes they are dropped; sometimes they are settled by further discussion between the parties, by representations back and some times by committee, and sometimes they go to an independent chairman - I'd say from twenty to twenty-five cases.

Q A year?

A Yes.

Q Taking only the cases that require an independent chairman?

A Three or four.

COMMISSIONER WHEATLEY: Do you know what is in the new provisions, these later revised agreements?

A I saw one of the new agreements; I think they stopped with the general manager and the committee, and the pit committee.

Q What is likely to be the outcome of that?

and the other two, the first of which is the first of the series.

The second of the series is the second of the series.

The third of the series is the third of the series.

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The fourteenth of the series is the fourteenth of the series.

The fifteenth of the series is the fifteenth of the series.

The sixteenth of the series is the sixteenth of the series.

The seventeenth of the series is the seventeenth of the series.

The eighteenth of the series is the eighteenth of the series.

A year

1880

During only the month that the month is in the month.

Some or less.

The first of the series is the first of the series.

The second of the series is the second of the series.

The third of the series is the third of the series.

The fourth of the series is the fourth of the series.

The fifth of the series is the fifth of the series.

A Oh, a settlement of the dispute.

Q You think so, without going to an independent chairnah?

A I think very often they can if they want to; I think a lot of these cases are passed up to an independent chairman simply because they knew he was there.

MR. JOHN SHANKS: Since my agreement is one of the agreements, if the committees cannot agree it is referred to the Minister of Labor to appoint a Chairman.

COMMISSIONER WHEATLEY: But many of them have no extension past the mine manager.

Q Would the outcome of that not likely be more pit-head strikes, seeing there is no independent chairman?

COMMISSIONER DRINNAN: Mr. Young says it will obviate pit head strikes.

THE CHAIRMAN: Have you any information for us as to competitive^{rs} wages and conditions in other fields, particularly competitive fields?

MR. YOUNG: Well, I think I can file some with you, not right not, but if you will indicate just exactly what you want I can give you some of that information. But I might say that in many of the fields of the United States things have been changing rather rapidly. If you had asked for those things when you were first appointed one could give it with a fair degree of accuracy but there are many changes at the present time and it would be rather difficult to get them in any up-to-date form.

Robert M. Young

Q Well, Mr. Young, we are collecting this as we can, our-
selves. What I would like to get from you/^{is} what you can
easily get, as you have it now and as you get it from
time to time for your own use.

A I will furnish it.

Q It would be very useful to us if you could let us have
it as well?

A All right, sir.

Q Have you anything to say on the comparison in operating
conditions in the two fields? I know you are not an operator
but from the statistical point of view, have you any information
as to comparisons of conditions?

A Well, in looking over the - - if the Board has itself
referred to the report of the U. S. Coal Commission, you
will find in a great many cases they speak of the utter
impossibility of making a statement of just one exact amount
which represents earnings or one exact rate which represents
the average; there are so many different conditions and so
many different rates, but one of the things that has struck
me in connection with their report is the fact that the
relationship of the mining employees, that is the contract
men, actual miners and machine men and scrapers(?) bear to
the total number employed. In one of the reports which
I think is referred to as the wage earnings of the bituminous
field, it is pointed out that of the total number of men
employed 60 per cent. are actually engaged in contract
mining, machine running or the helper with the machine man.

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I will ...

It will ...

It is well ...

All right ...

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Well, in ...

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Taking that number and applying the same relationship to the total number of men employed in this district based on the figures given in the Mines Branch report, it seems that, if we had the same conditions under which they are operating, we could get along with something like 2650 men less.

Q Have you got the detail of where you worked that out?

A I haven't it here but I will furnish it to you tomorrow.

Q I would like if you would.

A There is just one modification, one qualification to that, so that there is no misunderstanding. The U. S. report does not indicate whether the clerical staff is included or the mine official staff, and I rather imagine it isn't but that would only make a difference of about 700 men, according to the Mines Branch Reports for Alberta, still leaving a difference of over 1800 men.

Q Now, that is due to what, in our condition?

A Well, the greater amount of dead work and other expense necessary to take that ton of coal from the miner and put it in the railway car, to maintain the mines and keep them in proper order and put the coal on the railway car.

Q The way in which you worked that out will be very useful evidence on that point. Anything else along the line of comparisons with other fields?

A One other thing I notice in connection with the contract rates, the rates in themselves do not mean anything; it is the earnings that the man makes as a result of those rates that determine whether a certain rate here and a certain rate there under different conditions are about the same

Robert M. Young

In connection with the average earnings of contract men in the United States, our earnings at the peak wages run about \$10. throughout the district; there they seem to run about \$7. I will be glad to refer you to the exhibit on which these figures are shown.

COMMISSIONER WHEATLEY: During what year?

A I think they took the year 1921, the year before the Commission sat, that is, the average earnings per shift, not their annual earnings.

Q How did that compare with their average for the year?

A Well, I don't know as I checked their average for a year because that is a question of continuity of working time. I am not suggesting anything in connection with their annual earnings but simply that the rates per day which their contract rates in that day enable them to earn.

THE CHAIRMAN:

/Q

Then flat mines, as ^{compared} referred to pitching mines, as you referred to

A Well, practically the whole States are referred to in that commission.

Q Well, there are not flat mines?

A All the types of mines there are, whatever they may be.

Q There are no bituminous mines, pitching mines, are there, in the States?

A I am not familiar with whether they are or not. The report refers to quite a number of them.

Perhaps we might have a record a little more description of the organization of your association, what the staff consists of.

A The staff consists of myself and one stenographer.

Q We were told this morning how the assessments were raised, that is, to cover the expense of the office.

A And salaries.

Q Just the salaries?

A That is set out in the constitution.

Q I know it is not quite fair to ask you any questions/^{as} to the operators because you have probably got them of all types.

A Yes, I think I'd sooner let them answer for themselves.

COMMISSIONER WHEATLEY: What is your opinion of the Mines Act?

A To be quite frank, that is just a point which very seldom comes to me because, in the first instance, the Mines Branch deal directly with the manager of the mine and his reply to any enquiry or complaint or any regulation under the Mines Act is made direct to the Mines Inspector.

Q Yes, I can concede that point. Now, in regards to the Compensation Act, what is your views on that, similar?

A Well, not necessarily so, because it is not a technical subject to start with and it is a matter which more often comes up in a general way. My views in connection with the Compensation Act are that it is like some of our agreements during the past few years, it is too often changed, it is not given time to find out whether the thing is stable in itself before there is a new change, and practically all those changes have been increases. Now, at the time the Act came into effect as a Provincial Act I think the rank and file of the operators were friendly to it but

it has changed almost annually and I don't think you will find the rank and file friendly to it to-day. You have asked me a question and I am giving you my opinion as I find it.

Q The rank and file?

A Rank and file generally, ^{throughout} ~~outside-of~~ the coal industry.

Q Outside of the coal industry, too? there is the general
* opinion that the rate is too excessive.

A Let me point out some of its features to you. I am going to deal with it for a moment not on the question of whether the rates are wise or unwise but the way in which it ^{has} ~~is~~ changed. In 1908, in a fatal accident, dependents received a lump sum of not less than 1000 nor more than 1800. In 1918 the basis was changed to a monthly payment with the maximum increased to \$2500. In 1920 the maximum was removed. In 1922 the average amount necessary to be set aside in the case of, say, a widow and four children was \$7680.41. The average amount in all cases where there was dependency being \$5966.04. Now, you can see, Mr. Wheatley, there has been a tremendous increase there.

Q You go from 1908 to the present time?

THE CHAIRMAN: Your point at the last is that the maximum being removed they have to take it on an actuarial basis?

A Yes; the actuarial basis in some cases last year - no, in 1923, some cases went as high as \$17,000. in a single case.

COMMISSIONER WHEATLEY: Was that not the case under the 1908 Act?

A No.

Q Didn't they go any higher than \$1800.?

A 1800 was the maximum under the Compensation Act.

Q And was that always the maximum?

A Under the Compensation Act, yes.

Q I think you are not very well informed on that point.

A Well, will you point out where I am wrong?

Q Well, in many instances I know of myself which realized over \$4000.

A But were they under the Compensation Act?

Q Yes.

A I think you are very wrong.

Q Of the Liability Act?

A The Employers' Liability Act.

Q This came under the Workmen's Compensation Act.

COMMISSIONER DRINNAN: What date?

COMMISSIONER WHEATLEY: In 1913 or '14.

COMMISSIONER DRINNAN: That was men who were injured and drawing compensation, so much percentage of their actual earnings.

These are fatal accidents you were speaking of?

A Mr. Wheatly, in those days I was more familiar with the Act in B. C. but it was pretty much the same, and we had three Acts, the Common Law, Employers' Liability and Workmen's Compensation; but if a man sued under Workmen's Compensation he had not the alternative/^{right} under the other two acts but if he sued under Employers' Liability he still had the alternative right even if ~~he~~ lost under that, to secure compensation under the Compensation Act, but the sum under the Compensation Act was at that time limited to \$1500.; under the Employers' Liability Act he could get

everything that the jury might award him but in both of those latter cases, Employers' Liability and Common Law, he had to establish neglect and the ways or means of negligence on the part of the company in some way. He was not entitled to a payment simply because he was engaged in the industry, as he is under the Compensation Act.

Q For injuries under the Compensation Law he could go more than \$1800.

THE CHAIRMAN: Mr. Young's statement, as I understand it, was that the limit of \$1800. was as to fatal accidents -

A Or for ordinary injuries.

THE CHAIRMAN: How was that, Mr. Gray?

MR. GRAY: \$1800. was the limit for fatal accidents but it might run beyond that for a man who was not killed and drawing a monetary allowance; he might draw that for twenty years.

THE CHAIRMAN: But the comparison you made was for a fatal accident in the case of a widow, so your comparison holds as against the reserve now in the case of a widow?

MR. GRAY: The thing between Mr. Wheatley and Mr. Young is that the Common Law damages is abolished under the new Act; there is no action for damages for negligence any longer.

COMMISSIONER WHEATLEY: I believe it was one of the liabilities under the law that made it amenable to the new state law because there was higher liability.

THE CHAIRMAN: Is that quite right, that under the state of the Act they had nothing more to face than \$1800. on account of a fatal accident?

MR. YOUNG: Here is the Act itself, the first schedule, page 8, Chapter 12, 1908 (reads)

Q All right, now then, you say to-day you know of one case in which, to provide for a widow the Compensation Board has set into reserve \$17,000.?

A No, that wasn't a fatal case; that was a case of a man who lost the sight of both eyes and to pay him the percentage of his wages over his expectancy of life it took that amount.

Q Was the other 4000 you mentioned also a non-fatal case?

A In which case - 5966.04, that was according to the Workmen's Compensation figures, the average amount in all cases where there was dependency.

Q But not fatal cases?

A Yes; it is only a question of dependency only arises in a fatal case.

Q That seems to be a comparable figure, that the life-of-the industry has now to provide the amount of \$5900. as against \$1800. under the first provision of the Act, in the case of fatal accidents?

A Yes.

Q That seems to be the fact you are establishing?

A Yes.

Q Anything more to say about the Compensation Act?

A Well, I could say a whole lot about it; it depends on how far you want me to go. These changes have been general throughout the various types of remuneration in the Act, that is, not only the payment on percentage basis but also payments of the amounts to widows and children; that is

... there is the fact itself, the fact that...

... (1900) ...

... that, now that, you say that...

... in which, to provide for a widow the Government would...

... has set into reserve \$15,000?

... No, that wasn't a fatal error; that was a case of a man...

... lost the right of both eyes and to pay it the person...

... at the same time, the Government of 1870...

... and the fact that the Government had a...

... In which case - \$100,000, that was according to the War...

... and the Government of 1870...

... there were other things...

... and the fact that...

... that is the question of responsibility, only when...

... in a case...

... that is the question of responsibility, only when...

... the Government of 1870...

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covered, of course, in the statement of the lump sum that I have already referred to.

COMMISSIONER WHEATLEY: These rates are fairly universal, are they not?

A No, I don't think so.

Q They are not paying that amount in B. C.?

A Yes, in the B. C. case.

Q Are they not paying that amount in Ontario?

A Yes, I wouldn't call two cases fairly universal.

Q How is Washington and adjoining states?

A Well, I had those figures - well, the last record I had of Washington they paid on a flat monthly basis without relation to wages.

THE CHAIRMAN: Will you, in the ordinary course, be bringing up to date your information on compensation?

A Yes. I would like to put in some information - -

Q Could you let us have a copy of a statement of that kind?

A I would like, however, to refer to this statement. Very often the percentage paid on wages is referred to, whereas the actual percentage may not be a statutory percentage at all.

Q How does that come about?

A Because, in many of the Acts, there is weekly limit.

Q Oh, you mean, in reference to other places?

A In reference to other places. For example, last year I made up a statement showing there were nine states that paid 66-2/3 percent as against our 62 1/2, but these states limit the maximum of weekly compensation to 16.67, as compared with our 21.64; their total annual compensation is 866.67

as compared with our \$1140. There are four states that pay 65% but the weekly limit is 17.34. There are nine states pay 60% but their weekly limit is 14.89. In regard to all of the states, I don't think there is any state that one could pick out and say that the Act generally is as high as the Alberta Act,

COMMISSIONER WHEATLEY: What is the average for Alberta?

A Average what?

Q Paid in compensation? There is a maximum and minimum, a \$10. minimum and \$21. maximum; what is the general average?

A You mean if you add 10 and 21 and divide it?

Q No, the actual figures do not - you did not mention the minimum of \$10.

A No, I don't get your point.

Q While there is a maximum there is also a minimum of 10, is there not?

A Yes, sir, and you will find in the States it will run down to 6, the minimums in the states are usually below Alberta.

Q I was wondering, seeing you had comparisons there, if you had the average for Alberta.

A Well, if you had looked into the subject you will know that you cannot get the average actual payments paid under the Act.

Q Would ~~it~~ you be interested to know it is around \$18.?

A Where?

Q In Alberta.

A Oh, yes, you mean in Alberta? I thought you were talking about states where these figures are given for.

A No, I was speaking for this province.

A No. I don't think I did know it.

THE CHAIRMAN: But if you are collecting, in the near future, any further particulars on that I would be very interested to receive a copy, of it which we can consider.

A All right, sir.

COMMISSIONER WHEATLEY: Have you any recommendations as to the improvement of the industry, any recommendations that will bring more ~~xxx~~ stability into the industry?

A No, I don't think I have any, Mr. Wheatley.

THE CHAIRMAN: Well, thank you very much, Mr. Young.

Adjourned until 10 o'clock A.M. tomorrow morning.

10 o'clock A. M., Tuesday, May 12th, 1925.

.....

During the recess Mr. McGuckie handed in the Statement of Comparative Production of Mines whose men belonged to the U.M.W.A. and other mines in January and February 1924 and 1925,

Said Statement marked EXHIBIT 24.

G E O R G E B. S A U N D E R S.

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your occupation, Mr. Saunders?

A I am a coal dealer.

Q In?

A Winnipeg.

Q How long have you been in that business?

A Well, I have been connected with the coal business all my life but I have been actively engaged in the coal business in Winnipeg since about 1914.

Q Before that where were you?

A I was travelling throughout the West representing different coal mines, Western coal mines.

Q Western Canadian?

A Western Canadian mines. The last few years I was acting as fuel engineer for a Western company, that is, the North American Collieries.

Q Since 1914 you have been in business on your own account as a coal dealer?

A Well, partially; I'd say from 1916 I have been on my own account.

- Q Now, we are very anxious to find out what you can tell us about the Winnipeg market. Have you made any estimate of the total consumption in the Winnipeg market of various coals?
- A Well, I have been perhaps more interested in the steam coals in the last few years. Outside of the railways I suppose the consumption of steam coal in the Winnipeg or Manitoba market - we might as well speak of Manitoba - would be close to half a million tons.
- Q That includes Winnipeg, Manitoba - any part of Saskatchewan?
- A No, that is just Manitoba.
- Q Close to 500,000 tons of steam coal?
- A Steam coal, yes. The domestic consumption, I think you could perhaps get more accurate figures from some other witness.
- Q Have you any idea as to the relative quantities of steam coal supplying that consumption?
- A- Well, as far as the steam coal is concerned, it is practically, I suppose, 99 per cent. American steam coal that supplies that demand now.
- Q 99 per cent.?
- A Well, we are selling so little Canadian coal down there it is hardly worth speaking of.
- Q You say now. Could you trace back a few years on that?
- A Well, going back three or four years, there was a condition arose in the United States which made American coal, both steam and domestic, considerably higher in price in Manitoba than Canadian coal.

Q

Now, we are very anxious to find out what you can tell us about the shipping matter. Have you made any estimate of the total consumption in the United States of vessels?

A

Well, I have been perhaps more interested in the steamers in the last few years. Outside of the shipping I suppose the consumption of steam coal in the shipping or navigation is very small - it is about a million tons, close to half a million tons.

Q

That includes shipping, doesn't it - any kind of steamship? No, that is just shipping.

Q

Close to 500,000 tons of steam coal? The domestic consumption, I think, is perhaps not more accurate figures from some other source.

Q

Have you any idea as to the relative production of steam coal in the United States? I think it is about 100,000,000 tons a year, or thereabouts.

Q

That is about 100,000,000 tons a year, or thereabouts. It is about 100,000,000 tons a year, or thereabouts.

A

That is about 100,000,000 tons a year, or thereabouts. It is about 100,000,000 tons a year, or thereabouts.

Q What year was that?

A Oh, I suppose that would be 1921, somewhere along there, I just forget, but at that time I suppose we gained for Canadian coal in Manitoba about 75 per cent. of the domestic trade and I suppose about 50 per cent. of the steam coal. Now, that has gradually fallen away until now I would say that they are probably only getting 50% of the domestic trade and the steam coal trade has dropped off practically to nothing.

Q What was the condition you speak of in the American market?

A Well, there was a great demand down there for coal. The tendency has been -- Winnipeg has been the dumping ground for American coal. During those years they had a market for more coal than they could mine down there; there was a shortage, so that they did not feel the necessity of dumping coal into Winnipeg. Now, that condition very soon passed; just as soon as they had a surplus down there, why, they swung just to the other extreme. The following year, - I just forget the year, I don't think it is exactly important; it can be found out - they cut their prices away below cost to regain the market which they had lost.

Q Can you tell us the prices in that year when Alberta took the market, the price of Alberta steam coal in Winnipeg?

A Alberta steam coal was selling somewhere in the neighborhood of between \$12. and \$13. at that time, and I just give you these figures roughly; I didn't expect to be here and I didn't bring any data with me.

Q Yes, I know.

- A And the American coal at that time - there was a short time when Pocahontas coal was not available at all and the Pennsylvania and Youghiogheny coal was selling around \$14. and \$15.
- Q When you say selling at those prices, you mean to the ultimate consumer or the dealer?
- A No, that would be to the ultimate consumer.
- Q Delivered?
- A Yes, sir, that would be wagon deliveries.
- Q Those are wagon deliveries, not car -
- A I might say that the Winnipeg steam coal market is a little peculiar; the most of the larger industries depend on hydro-electric for their power so that a great deal of the steam coal is used in heating large blocks where it is delivered.
- Q Then, following that the American price was cut. Do you remember off-hand how much of a cut they made?
- A Well, there was contracts taken there, Oh, I couldn't say that from memory, Mr. Commissioner, but we have often times figures the price right back to the mine, where we would figure it an impossible cost, and it was very cleverly concealed, too, that is, the loss was taken by the ultimate distributor. We have there in Winnipeg a condition of large American companies having subsidiary selling organizations, both wholesale and right down to the retailer, so that these large losses were taken presumably by the retailer.
- Q Well, could you explain that a little more fully, just how that worked?
- A Well, I have figured, at that time, on practically all of

the contracts and tenders that are brought up and I would be very much surprised in finding that our figures were perhaps a dollar or two dollars a ton high, and we know pretty well what the mining costs are down in the States, the selling price at the mine, and in going into it further we would be told, well, that this retail company were getting tired of competition, they were going to drive the other fellows out of business, and that sort of thing, so that they said, Well, we will take a loss of several hundred thousand dollars or more in order to drive these other retail companies out of business; but that was not the point at all, it was just merely a feature to avoid the dumping clause, such as it was; these companies were just subsidiaries of the large Americal coal companies. So under that condition the distributors of Canadian coal had no chance because we certainly have never had that condition here; there has never ^{any} been ~~an~~ Western Canadian Coal mining company that I suppose would be able to do that sort of thing, whether they wanted to or not.

Q You say, as a result of the change in conditions in the United States, plus these methods of salesmanship, has resulted practically in their recapturing the entire market?

A In steam coal and regaining quite a bit of the domestic.

Q What about the relative qualities of the two coals?

A Well, I have always maintained that we have in Western Canada coal which is equal to the best that is mined in the United States, that is, if proper selection is made by the consumer, he can get equally as good value at the same

price.

Q What about the state of preparation of the coal as it reaches the market?

A Well, I don't think that we would have any complaint on the preparation. The preparation has been improving year by year. There was a good deal of difficulty at one time but that condition has improved. There is no complaint. Western Canadian mines, to my knowledge, have spent quite a lot of money in improving their product, trying to get that Winnipeg market.

Q So on a price basis what relation of price should there be between American steam coal and Canadian?

A Well, it would just get down to the basis of the heating value. Some of the Canadian coals are higher heat value than others but usually there is a price consideration which would apply.

Q Are there Alberta coals as good as Pocahontas?

A Well, I could not confine that statement to Alberta particularly, I would say Western Canadian coal. We don't, in Winnipeg, necessarily say Alberta coal, we say Canadian coal.

Q I know, but we are an Alberta Coal Commission.

A Yes, sir, I understand that.

Q We are interested in what Alberta can do. In your experience are there coals in Alberta that would, you think, sell against Pocahontas on ^{an equal} ~~an equal~~ price basis and if not, what differential should there be?

A There would be very little difference; That would be a very

technical question and I don't think - - selling coal to the consuming public in Winnipeg, as I say, the most of the steam business is among small consumers and they don't perhaps analyze the real value just as closely as they might do. It is a good deal there of what they get used to. If we had a good chance to put Canadian coal on that market again we could gradually get that consuming public into a state of mind where they would prefer the Canadian coal.

At what relative prices? I mean, I am trying to get as much definite help from you as I can. You are a dealer. You deal with the man who uses the coal and we would like to fix definitely some idea of the relation of price that should obtain.

A Well, to give us a real chance, taking there are steam coals in the West which are better than others, but we should have about a dollar a ton cheaper.

Q Cheaper than Pocahontas coal, and the state of preparation?

A Than Pocahontas coal.

Q That would be for what grade of ^{our} coal ?
(run?)

A That would be the mine/coal; that would give us a good selling margin and a chance, perhaps, to demonstrate the quality of our coal to a consumer, who, without that price consideration, might not even give us a trial; he would not consider it worth while.

Q Wouldn't it seem, on an equal price basis, you could appeal to their patriotism in the practical sense of keeping business in their own country?

A Well, that doesn't get you very far.

Q I say, on an even price basis?

A No, I wouldn't like to depend on making my living with that argument. There are people who will do that but the percentage is very small.

Q Well, I am not asking you to do it at a loss but just to get an introduction instead of giving a price concession couldn't you use that argument?

A You could use it but you wouldn't get very far with it. You see, in speaking of steam coal, you have got to get down, in the final analysis, to the fireman, and if he is used to burning a good American steam coal, even a good Canadian coal, he is going to find it takes different methods to fire and so on, and he figures it isn't getting him anything so he probably condemns a change in coal just as a matter of principle lots of times, so you have got to have a pretty strong argument with the man who buys the coal so that he is going to follow that thing through and make his fireman use it.

Q So, in your opinion, then, a dollar a ton concession in price, all circumstances considered, would really be necessary to recapture that Winnipeg market?

A That would be, to produce any immediate results or any results that would amount to anything the first year or two; on an even basis we would sell more coal, certainly, and we might, in time, make that an appreciable amount but the results would be very slow.

Q Without the dollar a ton?

A Yes, sir.

Q Do you know now, have you with you the prices of American coal delivered in Winnipeg this year, at the moment?

A Yes, sir. Pocahontas coal is now sold at Duluth at \$5. a ton for mine run; \$4. a ton for slack. The freight to Winnipeg is 3.30 and the duty is 50¢.

Q That makes 8.80 delivered in Winnipeg for mine run and 7.80 for slack?

A Yes, sir, that would be about right.

Q In that the cost to the dealer?

A Yes, that is the cost to the dealer.

Q On what terms of payment is that sold?

A Well, the terms are very easy, perhaps easier, a good deal of that coal is put in on a consignment, even.

Q And turned out on consignment - what terms?

A Oh, well, I guess the average terms on that coal would be from sixty to ninety days. If there was any circumstance - and there are circumstances constantly arising, where dock companies want to ship their coal at a certain time at their convenience, and they make special terms covering that.

Q What does that coal now cost the consumer?

A At wagon load deliveries Pocahontas mine run is sold at \$10.25 and the slack is sold at \$9.35. Those prices apply on the smaller business where it is necessary to have a price. Those prices are set just about like the domestic prices are; they get down to a price and most of the dealers adhere to that. The larger contracts, of course, are what is known as open business and there is various prices. Some American coal is sold there on as low a margin as 5¢ a ton.

Do you know how, have you with you the price of American

coal delivered in England this week, at the moment?

The Mr. Rosenbergs coal is now sold at price of \$5. a ton

for mine run; \$4. a ton for steam. The price is higher

in 1930 and the duty is 5%.

Yes for steam?

Yes, sir, that would be about right.

In that case to the duty?

Yes, that is the cost to the importer.

On what terms of payment is that sold?

Well, the terms are very easy, because credit is given

of that coal is put in on a consignment, even.

And turned out on consignment - what terms?

Oh, well, I mean the exporter takes on the risk of

the coal being sold or not. It is sold on a consignment

and the importer is responsible for the coal being sold

or not. It is sold on a consignment and the importer

is responsible for the coal being sold or not.

What does that cost the company?

As far as the company is concerned, it is sold at

the price of \$5. a ton for mine run and \$4. a ton for steam

and the company is responsible for the coal being sold

or not. It is sold on a consignment and the importer

is responsible for the coal being sold or not.

What does that cost the company?

As far as the company is concerned, it is sold at

the price of \$5. a ton for mine run and \$4. a ton for steam

and the company is responsible for the coal being sold

that would be on carload stuff, and on team coal sometimes as low as 50¢.

Q We will come back to that question of the cost of retailing later. Compared with these prices what does Alberta coal cost you now?

A Well, I couldn't give you that information, Mr. Commissioner, because we have been selling so little and the prices have been varying quite a bit due to the changing conditions out here.

Q The coal is not moving?

A The coal is not moving. We were paying about around the neighborhood of \$5. a ton at the mines for good Alberta steam coal some time ago. I believe those prices may be a little lower now.

Q And the freight rate?

A The freight rate is 5.10, that is, the average freight rate. Crowneast freights are 5.10 and the steam coal from the North is 5.10.

COMMISSIONER WHEATLEY: This is mine run?

A That is one mine run, yes.

THE CHAIRMAN: Anything like that price works out to a very big differential against our coal.

A It does. Of course, I think that coal can be bought cheaper since they made the new working arrangements out here.

Q Well, following back from what you have just told us, to put the dealer on an equal footing in handling Alberta coal you should get it a dollar cheaper than he gets his Pocahontas or how much cheaper would he have to get it?

1911

that would be an excellent start, and on some of the
as low as \$104.

It will take some time to get the coal out of the
mine, but it will be worth the effort.

A Well, I couldn't give you that information, Mr. O'Connell, but
because we have been selling a little and the prices have
been varying quite a bit due to the changing conditions on
the market.

The coal is not moving.

The coal is not moving. We were paying about around the

price of \$104 a ton, but it is now \$105 a ton.

There is a lot of coal in the mine, I believe, but it is not

being sold.

It is not being sold.

The freight rate is \$1.10, that is, the average freight rate

from the mine to the market is \$1.10.

It is \$1.10.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

That is the freight rate.

A It should work out about a dollar cheaper, yes, sir.

Q That is, in order to give it to the consumer a dollar cheaper the dealer would --

A Yes, sir. Well, I think perhaps some of the dealers who are interested in Canadian coal might find it possible to work on an even smaller margin, that is, the dealer is prepared to sacrifice his share to push Canadian coals, the dealers who are interested in Canadian coal.

Q Well, supposing we assume 50¢, for the sake of argument, without committing you to that, Pocahontas costs the dealer 8.80. 50¢ less than that would be 8.30, if you got it 50¢ less than his Pocahontas price.

A It would be a very great help. I think he would be prepared to make that ^{much less} ~~amount~~ to get the dollar for the consumer.

Q That is 8.30 and a freight rate of 5.10?

A 5.10 on most of the steam coal.

Q That would leave 3.20 a ton at the mine?

A I suppose it would. I don't think, of course, that the mine should do it all. The getting of this Alberta market, to my mind, depends on three things; it depends, first, on a dumping clause that means something, secondly, on proper protection, which, since the time we have started this agitation we have got that, and, thirdly, on a little concession in railway freights. That is, everybody has been sacrificing all the way down the line; I believe that the mine owners generally are prepared to sell coal to Winnipeg probably at cost but they are not in a position, probably, to go any further than that; we have always found, though,

that the Western coal companies have been more than anxious to meet us on anything that they could do but, of course, they can only go so far; so that I feel, at the present time, the next thing is a concession in railway freight rates. Freight rates have been increased. I believe in 1919 Alberta steam coal was moved down to Winnipeg somewhere in the neighborhood of \$4. a ton and that was gradually increased till it was \$5.30 a ton and we have had one decrease of 20¢ from the peak, and we feel now that the railroads are buying their steam coal cheaper that they can make some other concessions. We feel it would be good business for them to do that, that they would move a large tonnage of coal which they are not getting at the present time. The situation down there has changed completely in the last few years. All the American coal formerly was brought from Fort William and the business was split between the two Canadian roads. Now practically all the steam tonnage comes from Duluth and it is split between four roads, two of them American, and the American roads are getting the bulk of the business, so that practically every dollar that is spent now on American coal goes right out of the country.

Q What have you to say as to the dumping clause with reference to these prices you are giving us? Is that \$5. price - ?

A It is possible at the present time for the American coal mining companies to make any price they like under our dumping clause, that is, the dumping clause is in no way effective; I cannot see where it is effective in the slightest

that the Government had no objection to the proposed

arrangement for the use of the land for the proposed

purpose, they can only go so far as to say that it is

possible that the land may be used for the proposed

purpose, but they cannot say that it is certain that it

will be used for the proposed purpose, and they cannot

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will be used for the proposed purpose, and they cannot

degree, in regard to protecting us.

COMMISSIONER IRINNAN: That price of \$5., Mr. Saunders, at Duluth, can you work that back to the mine?

A Yes, sir, I think I could. There is a lake freight of 50¢ a ton; there is a dock handling charge of 50¢; there is a freight rate from the mine to the lake ports of 2.14. I believe I might have those figures, and I believe that freight rate has been increased to 2.21, I am not sure about that; it is only a few cents that way, and then, of course, there is the profit that the dock company should make in financing that coal and carrying it on their docks.

Q What does this 50¢ cover?

A That is the physical cost of handling.

Q Do you know if the dock company charge anything above 50¢? Who owns the dock, the coal company?

A Many of the big American mining companies own the dock; they pretty nearly own everything; some of them own the railroads, they own the steamers and they own the dock, and they own the wholesale company distributing coal down there and the retail company, and they own the whole works, so that under the present conditions they can make a cut anywhere along the line and it ^{has} ~~is~~ the same effect on us.

THE CHAIRMAN: They can make the cut at a stage that the present anti-dumping legislation does not prevent?

A Yes, sir. I went into that matter rather fully. I was down in Minneapolis about three weeks ago and I asked one of the companies there how they could make a certain price and even under our dumping clause, which says that the coal

must not be sold at a lower price than the point of shipment, which would be the dock, so they said that they had a condition there of meeting some Eastern competition whereby they made this price that they were then making to Winnipeg so that would get them by on the anti-dumping clause.

Q You mean they were selling in their own home market at the dock at Duluth at the same price - -

A Yes, sir, but that price was only made on perhaps 2% of their business. I gathered from that that if they might be shipping a million tons a year, but if there was some little piece of business that they made that price on for only 5000 tons, that that would justify them in shipping their tonnage to Winnipeg at the cut price. That is their impression down there. I am not just familiar with the exact interpretation of the Canadian dumping clause but that is the effect of it, anyway, that is how they justify their price; and then, of course, if they didn't happen to have that condition down there they would get around it by taking a loss in the retail or perhaps in the wholesale company.

Q It is very important we should get to the very bottom of that.

A Well, those are ~~the~~ facts that can very easily be substantiated.

COMMISSIONER DRINNAN: That leaves the price 1.86 at the mine?

A I guess it would work out to that, that is without a cent of profit, mind you, to the dock companies.

Q That is West Virginia - ?

A That is Pocahontas West Virginia.

THE CHAIRMAN: You don't know what that is selling, f.o.b. the mine?

A No. Reading their papers, I think the average price of Pocahontas mine run throughout the period that this price that I have mentioned has been effective has been around 2.25 to 2.50.

Q 2.25 to 2.50?

A Yes, sir. There is probably a better illustration on that; taking Pocahontas slack price, that price of \$4. a ton at the dock, I think you will find works back to the mine at pretty close to a dollar a ton, and I might say that Pocahontas mines only perhaps 20 to 25% of lump coal, so that it is necessary for the mine to get almost as much for their slack as for their run of mine, and they do get almost as much; there is only usually about a 50 cent differential.

THE CHAIRMAN: Why do they make a dollar difference in the price at Duluth, then?

A Well, to get the business. We had a very pernicious practice down there. I suppose, as you know, this agitation we have been working on has resulted on an increased tariff on the slack coal, making it the same as the run of mine. While they took 3¢ off the run of mine ~~the~~ duty still we were highly pleased because that put a stop to this pernicious practice, that is, they were actually bringing in one car of lump coal to four to five cars of slack and paying low duty on the slack and the higher duty on the lump and then manufacturing run of mine and putting them together again so that their duty on mine run, instead of 53¢, worked out somewhere at 22 to 25¢ a ton.

Q But that has now been stopped?

So saying their papers, I think it is a very nice one

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So saying, I think you will find some

pretty close to a billion a day, and I think you will find

perhaps almost only a few of the

it is necessary to say that the

which is for their own of mine, and that is the

well, that is the only way to say it, and that is the

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Well, to get the business. We had a very successful

some time. I suppose, as you know, this situation is

very simple on the surface, or as it is called, but on the

which is the only way to say it, and that is the

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A That has been stopped now.

COMMISSIONER WHEATLEY: Mr. Saunders, coming back to the Alberta prices, \$5., what are the quotations under the new scale?

A I don't know that; that has just been so very recent that I have not been handling any Alberta steam coal since that time. I think you could get that perhaps from someone who could give you that better than I could. I have not bought a car of Alberta steam coal since the new arrangement has gone into effect.

THE CHAIRMAN: What about the competition of coke?

A Coke has been a very serious competitor for the Alberta domestic coals down there and I am afraid that, unless something is done, it will be still more serious.

Q To what coke are you referring?

A There is a coke comes from Duluth that we were buying last year at a price of \$12. laid down in Winnipeg; it is very good coke. The Minneapolis coke is costing us \$12.75.

Q What is the local coke?

A The local coke is sold at \$12.

Q Sold to a dealer?

A To a dealer at \$12. The retail price of all those grades is \$15.50; so you can see there is a very large margin for the dealer. I think perhaps some people in the West are under a little misapprehension on the Winnipeg coal market there. Some of them seem to think that Alberta domestic coals could be sold at a less margin; they seem to think that it is the margin of profit which the dealer charges that is keeping the Alberta coal out of that market.

Now, I will give you the exact figures so that you will see that that is very much the other way. We pay for Drumheller double screen coal 4.95 and the freight is 4.70. The retail price of that coal is 12.50; that is the maximum; some dealers are selling it for less. So I guess you will find that gives them a gross margin of under \$3.

Q \$2.85?

A Yes, sir. Well, the margin that we did have on coke varied from 2.75 to 3.50.

Q That the margin is greater does not go very far towards justifying it.

A Well, possibly not.

Q I mean, the mere fact of comparison of margins is not sufficient. I was going to ask you something about that later on, to try to tell us about the dealer's margin.

A I suppose the dealer can justify his margin, at least in his own mind, anyway, but the point is this, that by cutting the margin on the Alberta coal those interested in selling American coal could cut still further, that is, they could put you in a worse position than you are now; and it has been rather a wonder to me that they have not taken advantage of that. I think the chief reason for that is that there has not been exactly a surplus of coke. There was something like 35,000 tons of coke brought in from Duluth last fall and that exhausted the surplus which they had down there. They were late in starting bringing it in, so that then the dealers had to bring in the Minneapolis coke, for which they paid 75¢ a ton more.

Q How much of that came in?

A Well, it seems difficult to get those figures but I am sure there will be at least another 25,000 tons of Minneapolis coke.

Q And how much local coke?

A I haven't those figures either but I think there would be easily another 25,000 of that.

Q Let us just complete the computation. What about anthracite?

A I could hardly give you those figures. I would say there would be about 25,000 tons of anthracite brought in.

Q For Winnipeg and Manitoba?

A Yes, sir; that may be a little high. I had better try to verify that figure.

Q Yes. What about the anthracite price?

A It would be 19.50.

Q Retail?

A Yes.

Q The cost to the dealer?

A There is a margin of about \$3.00 in the anthracite, 2.50 to 3.00. Of course, bear in mind the margin on that is a real margin, there is no waste to it or no degradation, so that anthracite can be sold on a lower gross margin than any other coal.

Q Would you give us your opinion as a dealer of the relative price that must obtain against anthracite at 19.50 and coke at 15.50, from the consumer's point of view?

A Well, from a heating value point of view, the coke would

be better buying at the same price as anthracite so that coke will eventually drive anthracite out of the market altogether.

Q Well, this Drumheller which is retailing at 12.50, is that able to hold its place in the market against coke at 15.50?

A No, sir; that tonnage on coke went from about 7,000 last year to between 50,000 and 75,000 this year.

Q Last year, you mean the season of '23 - '24?

A '24 and '25 as against '23 and '24, that is, of imported coke. Of course, the local coke they were making at that time was a gas house product that was inferior in quality to the coke. Last summer they built modern coke ovens at Winnipeg so they are turning out a much superior article.

Q Is that the Koppers process?

A That is the Koppers process.

COMMISSIONER WHEATLEY: Where are they drawing their coal for that?

A That is all American coal, that is West Virginia gas coal.

Q- Do you know of any Canadian coal having been tried in those ovens?

A I don't think there has been any tried in the new ovens but the Alberta coal would work very satisfactorily in those ovens.

Q Any experience with it?

A Well, I have had experience in - - well, not in coke making but there has been a lot of coke made from Alberta coal.

Q Outside of the ovens that we have in Alberta?

A I think you will find there is, and there isn't anything

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to better buying at the same price as elsewhere so that
the bill would be 2-1/2 times as much as the
bill in the United States.
The bill in the United States is 100 cents.
The bill in the United States is 100 cents.
The bill in the United States is 100 cents.

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No. 11; that tonnage on coke went from about 7,000 last
year to between 30,000 and 35,000 this year.
Last year, you mean the season of '45 - '46?
'45 and '46 as against '43 and '44, that is, of increased
cane. Of course, the local coke they were using at that
time was a gas house product that was inferior in quality
to the coke. Last summer they built modern coke ovens at
Winthrop so they are producing a much superior product.

Is that the same process?
That is the Koppers process.

KNAPP: Where are they using it?
They are all using it. They are all using it.
They are all using it. They are all using it.

1947

I am a little bit confused by the way you
say the 11th and 12th and 13th and 14th and 15th
and 16th and 17th and 18th and 19th and 20th
and 21st and 22nd and 23rd and 24th and 25th
and 26th and 27th and 28th and 29th and 30th
and 31st and 32nd and 33rd and 34th and 35th
and 36th and 37th and 38th and 39th and 40th
and 41st and 42nd and 43rd and 44th and 45th
and 46th and 47th and 48th and 49th and 50th
and 51st and 52nd and 53rd and 54th and 55th
and 56th and 57th and 58th and 59th and 60th
and 61st and 62nd and 63rd and 64th and 65th
and 66th and 67th and 68th and 69th and 70th
and 71st and 72nd and 73rd and 74th and 75th
and 76th and 77th and 78th and 79th and 80th
and 81st and 82nd and 83rd and 84th and 85th
and 86th and 87th and 88th and 89th and 90th
and 91st and 92nd and 93rd and 94th and 95th
and 96th and 97th and 98th and 99th and 100th

about the Koppers process which would be any different from the beehive oven; if anything it would be in favor of the Koppers ovens. There is no reason why Alberta coal would not work very successfully down there.

Q It is only the price?

A It is just price, price pure and simple.

THE CHAIRMAN: You don't know what they pay for that West Virginia gas coal?

A That figure - - What did I say the price of slack?

Q \$4.00 a ton at Duluth.

A Youghiogheny slack was costing us under the late duty 7.05, with the increase 35¢, 7.40 would be the price to-day. The Gas Company are paying a little more than that.

COMMISSIONER DRINNAN: Do they use Youghiogheny slack for making coke?

A No, they are using West Virginia gas coal but you can use Youghiogheny ~~West-Virginia~~/slack for that but they using West Virginia which they are paying about 40¢ a ton more; there is a very high grade heat unit.

THE CHAIRMAN: It was between 35 and 40¢ more. So you think their West Virginia gas coal is costing about 7.80?

A About that; it would not be 15¢ out either way.

Q And Alberta coal to take the place of that would ^{have} to meet that competition?

A Yes, sir. They would have to probably do better, depending on the B.T.U.'s; they might have to go somewhat lower than that, quite a bit lower; some of the coals; others would not have to go so low.

Q Go back a few remarks. Drumheller coal at 12.50 as against

...of the House even. There is no reason why ...
...it is only the price ...
...it is just twice, twice more and again ...

Q
A

...What did I say the price of ...?

Q
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...with the increase ... 7.00 would be the price ...

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...the price ...

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...the price ...

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Q

coke at 15.50 is going to have a bit of a struggle to retain the market?

A Yes, sir.

COMMISSIONER WHEATLEY: What is the market for gas there, is it very extensive or potential?

A No, I would not say that the market for gas is liable to increase very much and that is a thing that is in our favor because the coal which they are buying is very high in gas production and it does not produce so much coke. The coke going from the carbons,--the coal ~~there~~ they buy is high in volatile and comparatively low in carbon. Now they are finding that they have a surplus of gas and a shortage of coke, so that condition is very much in our favor because we can supply them with higher carbon coals and lower in gas production; that is why they built these new ovens, to turn out a better and more saleable grade of coke.

THE CHAIRMAN: Any other domestic coal from here than the Drumheller coal that you have any experience with?

A Oh, I have had experience with all of them but the Drumheller coal fairly well illustrates the condition for Alberta domestic coals are - well, where there is a little higher heat value they usually get a little higher price.

Q What does Saunders sell for?

A That sells for \$15.

Q What would your comment be on Saunders at \$15. as against coke at 15.50?

A Well, coke is higher heat value and more heat value available?

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Q Is it as convenient to use, for the ordinary householder?

A Oh, yes, sir.

COMMISSIONER WHEATLEY: Which has preference in the market, Saunders coal or Drumheller?

A The Saunders would be perfect if the price were equal but the Saunders price is very high. It is pretty hard to get \$15. for a soft coal.

Q But where it is used they prefer it if the price could be dropped a little?

A Well, I don't know whether I could say that or not. As you know, the domestic market is very peculiar; it does not usually get down very close to values. It gets down to what people want to use. The average householder does not know very much about what his coal really is costing him, that is, you will find one man, it is costing him \$200. to heat his house and another one, with the same kind of house, heats it for \$125. and they are both satisfied.

Q You don't know what percentage of this sub-bituminous coal from Alberta goes into that market as compared with ^{U.S.A. coal?}

A It is very small.

THE CHAIRMAN: Of course, we will have the actual figures.

A Yes, you can get that. But I will tell you, though, that sub-bituminous coal, the percentage is small.

Q Has the anti-dumping clause anything to do with the price of Duluth or Minneapolis coke?

A Well, that applies - that instance that I cited there had to do with coke, as a matter of fact, because I asked them how they could justify that price that they made, the price on

coke to

1897, 1898

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is not

the ordinary household is not content to see, but the ordinary household

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but where it is used they know it is the ordinary household

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Well, I don't know whether I could say that or not. As

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to heat his house and another one, with the same kind

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coke to Minneapolis is considerably higher than the price to Winnipeg, that is, in proportion, and I asked them how they justified that and they said that they were shipping some coke, a very small amount, to eastern points where they came in competition with coke from Chicago and they made the same price there as they made to Winnipeg.

Q How could the anti-dumping clause catch that, because that is coke? Isn't it a case of working your anti-dumping provision down to the production basis at the mine?

A Yes, sir.

Q And if they sell coals locally at a dumping price they feel justified in taking that price for their dumping provision?

A That is quite so. I don't know whether you could get around that on Minneapolis coke or not, although I should think that any law, to be effective, would get around that because you could work that back to the mine and the mine with an output of two million tons could turn around and sell 500 tons at a low price just to - - I think surely there is some provision for that.

Q I don't really know what it is. We will have to go into it.

A I would say this, that you could not ship Canadian coal over there under that condition, and that is all we are asking for, we are asking for the same Dumping Act as we have to contend with in exporting our coal.

Q Yes, that is the form in which the suggestion has been made to us in a good many quarters, to get the American dumping legislation and apply it ourselves.

COMMISSIONER WHEATLEY: Is coke produced in Winnipeg the same price as that shipped in from Duluth or Minneapolis?

A Well, it is the same price as Duluth, cheaper than the Minneapolis.

THE CHAIRMAN: Have you any knowledge as to their profits on making coke from that coal and selling it at \$12.?

A No, that would be very difficult to get at because it is a by-product.

Q It is the Gas company that is making it?

A Yes, sir.

Q From your experience in dealing with Alberta coal, are there any complaints, any suggestions for ^{improving} limiting the shipping of the coal, from your point of view?

A Well, of course, the mines cannot be too careful in their preparation and anything they can do - I say this more for the effect on the miners themselves, perhaps. Very often perhaps a miner does not realize how intimately his interests are tied up with both the operator and the dealer and a little bit of rock that he puts in the coal car is very apt to have some effect on the output of his mine; so that I think the operators themselves are taking pretty nearly all the possible precautions along that line and there has been a great deal of improvement the last few years. I could not have made that statement three years ago but it has been such a hard fight down there and we have pushed that point, emphasized it so much, that we cannot complain very much on preparation. Any time we have a complaint it is usually satisfactorily adjusted.

Q. Now, what is the name of the mine?

A. The name of the mine is the ...

Q. Well, it is the same name as the ...

A. Yes, it is.

Q. Have you any knowledge as to the ...

A. Yes, I have.

Q. Now, what would be very difficult to get at ...

A. Yes, it is.

Q. Now, what is the name of the mine?

A. The name of the mine is the ...

Q. Now, what is the name of the mine?

A. The name of the mine is the ...

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Q. Now, what is the name of the mine?

A. The name of the mine is the ...

Q. Now, what is the name of the mine?

A. The name of the mine is the ...

Q During the time when the American coal was shut out of the market by conditions on the other side of the line, the statement has been made that the preparation of Alberta coal was not as careful as it might have been.

A That was very true. There was another very bad feature that entered into that situation. Some of these American companies were not very well pleased at the situation and they had to have coal to supply their customers and they came out West and they bought the very poorest grades of coal they could buy, brought them down there and the consuming public, not knowing anything about Alberta steam coals, took their dealer's word for it, and when they had a complaint, why, this dealer said, "Well, that is your Canadian coal; that is the best I can do for you; it isn't my fault."

Q The American dealer seems to be a pretty live man down there.

A That is very true and that is something that people out here must realize, that that is a very efficiently managed industry all the way through, and I can say this, that they would not suffer under the conditions that we suffer under very long.

Q What would they do about it?

A Well, they would never stop until they got the necessary conditions to put their coal into that market.

Q Well, what suggestions can you make along that line?

A Well, there is only three things, as I stated at Edmonton,

there are only three things that are necessary to put Canadian coal on that market. The first was an effective dumping clause, second, proper protection, which we have got, and the third is a railway freight rate which will allow coal to go into that market.

Q Of course, you realize that, in discussing greater protection it has got to apply to the whole of Canada?

A Yes, sir, as I say, that feature of it has been remedied since we made those proposals.

Q You are fairly well satisfied?

A We are satisfied with the protection as it is now.

Q It cuts it down to two, then?

A It is cut down now to two things.

Q And, specifically, you want the anti-dumping to be equal to the American?

A Yes, sir.

Q And what do you want in the way of transportation?

A Well, we feel that the railroads could make -- I am speaking now particularly of steam coal -- There are quite a number of dealers down there interested in Canadian coal. I might say, for my own part, that I will be prepared to take and store 20,000 tons of Alberta steam coal at any period of the year that the railroad wanted to take it down there even if that was only confined to one month, if they will say, "Now, the month of July our equipment is idle and we will make you a lower freight rate," we would estimate pretty nearly the tonnage which we could sell for the year and take it at that time and store

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it there. Now, that would apply all along the line, almost every industry using steam coal has plenty of storage space, so that practically all the steam coal used down there could be moved in a short period.

Well, what concession on the railroad's part would be necessary to make that possible?

A Well, that is perhaps a hard question to answer. I know this, that a dollar a ton would help out very much indeed.

Q Would you think that at a dollar a ton less freight rate you would be justified in your case in taking 20,000 tons?

A If we could get a mine - if we could have a good grade of steam coal and ^a competing grade down there at a dollar a ton less than the American coal, I think I would feel justified in putting that coal in the yard.

Q From your point of view it would be immaterial whether that was accomplished by a price at the mine, by a freight rate reduction or by both?

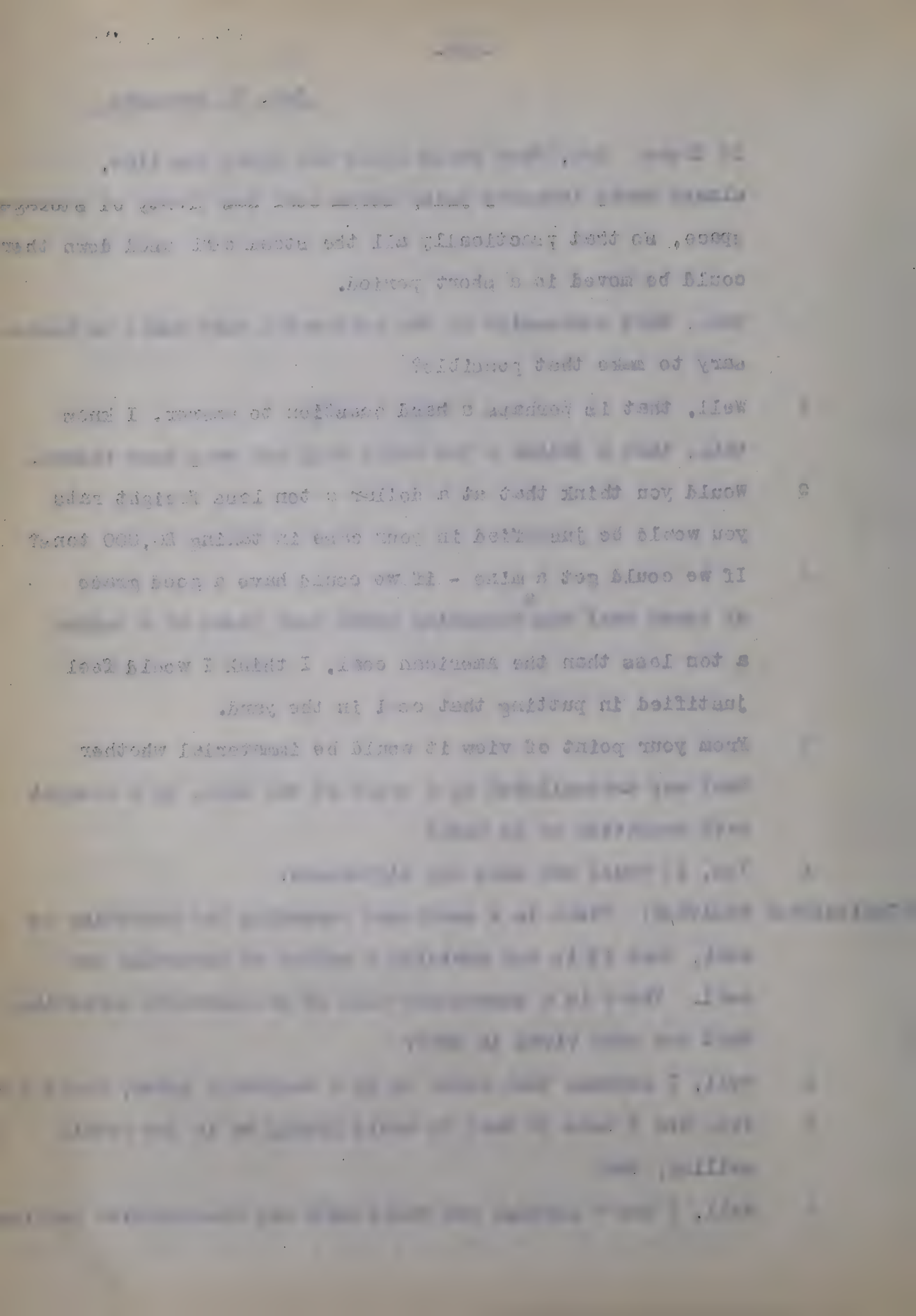
A Yes, it would not make any difference.

COMMISSIONER WHEATLEY: There is a sentiment regarding the marketing of coal, that it is too unwieldy a method of marketing our coal. There is a suggestion also of co-operative marketing. What are your views in that?

A Well, I suppose that would be in a wholesale sense, would it?

Q Yes, and I take it that it would likely be in the retail selling, too.

A Well, I don't suppose you would work any co-operative selling



arrangement; I don't know any way you could do it because it is so easy to get into the retail coal business.

Q What is your views on the wholesale -

A On the wholesaling it might be done but, inasmuch as the average commission paid for wholesaling is in the neighborhood of 30 to 35¢ a ton it would not make a great deal of difference; it would enable you to sell the coal cheaper, no doubt; you might save 15 or 20¢ a ton that way.

Q Who would inaugurate the scheme such as you have for the operating companies?

A Oh, I haven't given much thought to that feature of it at all; I don't know how it might be done. They have a coal pool, a selling pool in the Souris field that operated last year and I believe it cut down the selling cost.

THE CHAIRMAN: Did you hear any estimate of how much?

A Oh, I think that cut down the selling cost about 10 to 15¢ a ton.

COMMISSIONER WHEATLEY: On a tonnage of what, in that case?

A I guess they show from the mines altogether - well, you can get those figures - I guess about a half a million tons.

Q Two hundred and thirty some thousand, is it, from the Souris field?

A Well, it would be at least that; I thought it would be more than that.

Q I was wondering if you knew the actual figures.

A Oh, I don't; I have seen them, I haven't paid much attention to them.

THE CHAIRMAN: To follow up part of Mr. Wheatley's question, there is an impression that there is something uneconomical about the retailing of coal, that of the consumer's dollar for coal too great a percentage goes for that stage, the retailing cost is too high. Now, what have you to say about that and what change in conditions might cheapen retailing?

A Well, speaking of domestic coal, I suppose the biggest saving that could be made in the retail price would be if you could get the consumer to take the coal as it comes in the car; that is where the first big cut comes. I estimate that the degradation - I would not say that but I mean the difference in the coal as we unload it from the car and as we have to deliver to the customer would be anywhere from 50¢ to \$1.00 a ton. There is not ~~any~~, perhaps, ^{any} pool or combination that would get around that.

Q What is that due to?

A That is due to having to fork all the coal; sell the slack at any price you can get for it.

Q And if you store and put it on the ground and lift it again, have you ever figured what that cost?

A Well, that is what I am referring to. We figure roughly that whenever we put Drumheller coal on the ground it takes a loss of a dollar a ton. The Secretary of the Coal Association down there can give you more exact data on that but I have often worked out the profit on a car of Drumheller coal; it sometimes turns into a loss on that account; because the trade is very particular down there, they won't have anything but lumps, so that the biggest saving could be made right there.

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if we could get the consumer to take the coal as it comes from the car.

Q Well, why doesn't he do it?

A Well, just simply because he won't do it. Competition has accounted for that.

Q You mean, take it as it comes off a car, in the sense of in a car, or at the time? I thought perhaps you meant he was not ready for it at that precise moment?

A Oh, of course that is very true, if you can unload the coal off the car and deliver it right to the customer, you will take a smaller percentage of slack coal; you will get some even then. Of course, you can only handle a small percentage of your coal from the car to the consumer.

Q If there were fewer dealers, I suppose they could bring in supplies as they needed them and do more track delivery from the cars, couldn't they?

A No, sir, I don't think they could.

Q You don't think that would be an improvement at all?

A If you could accurately forecast the weather you could do that. It is necessary to have a sufficient stock of coal on hand at all times, and your sales will drop - I have seen our sales drop from 100 tons a day down to 10 just inside of a week.

Q Therefore, you have no suggestion as to saving that dollar a ton unless the customer would take the coal with the slack in it?

A Yes, sir, that dollar a ton might be a little bit high; it runs a dollar sometimes, but it is at least 50¢. Now, naturally

Well, why doesn't he do it?

Well, that's simply because he can't.

You mean, take it as it comes after the war, in the sense of--

In a car, or at the time? I thought perhaps you meant he

not ready for it at that present moment?

Oh, of course that is very true, if you are unless the coal

off the car and deliver it right to the customer, you will

and a better percentage of coal will be delivered to the

of course, you can only handle a small percentage

of your coal from the car to the customer.

Of course, that is true, but I think you have to

supplies as they needed them and do more direct delivery from

the coal fields, I think.

Yes, I think that is true.

And that is why that would be an improvement.

If you could accurately forecast the weather you could do

that. It is necessary to have a sufficient amount of coal

to supply all the coal that you need for a long time.

Yes, that is true, but I think that is the only way to

the coal that you need for a long time.

Yes, that is true.

That is true, but I think that is the only way to

the coal that you need for a long time.

Yes, that is true.

That is true, but I think that is the only way to

the coal that you need for a long time.

if you could sell all the domestic coal in Winnipeg out of one yard you would effect a further saving but that would be a very difficult thing to accomplish.

Q Well, if you didn't get that far, are there any retailing establishments in Winnipeg that are working on a scale large enough to be an economical operation? Do you know what I mean?

A Yes, sir, I know that you mean. I don't suppose there are.

Q We were told in Edmonton - of course, we have got to investigate it further - that there were some companies there retailing coal that do so much business that they were working economically and have fixed the price.

A Oh, that is not true.

Q No, that ^{is} in Edmonton. They were companies delivering to the Edmonton retail trade; they said they were quite satisfied that there were some companies had economical operation and they fixed the price under competition from the wagon miner.

A Well, you are going into a very large question there; it does not always follow that the large operation is conducted economically. There are other things that enter into that. Sometimes a man doing half the business does it cheaper than the larger man due to certain conditions or better business methods; but in any case, I take it, all you are trying to get at is to sell Alberta coal in Winnipeg. Now, the same thing that is operating against you due to uneconomical distribution is operating against the American coal. There is just as much and more room for a reduction in the retail

price on the American coal as there is on the Canadian, therefore, while that condition prevails, I have never bothered my head to see what could be done on cheapening the price.

Q No; while the consumer in Winnipeg is not especially on our conscience, still something might be done to cheapen both.

A Well, that has been the subject of investigation and more to that point and it has never really got anywhere. As I say, certainly, if you confined all the coal business in Winnipeg to three or four coal companies you would distribute it more cheaply but that would also apply to the coal on which your competition worked; it would not get you anywhere.

COMMISSIONER WHEATLEY: If the mine operators agreed on some plan to sell to certain dealers and their full interests are based on a tonnage basis, could that have any bearing? Would that improve the situation over what it is now, in distribution?

A Well, I don't know, sir. I don't know what saving the mine owners could make on that. I would not be prepared to answer that. We would welcome anything that lowers the price of coal, whether it could be done in that way or not, I don't know; I am not a mine operator.

Q There seems to be a considerable amount of sentiment along those lines. I thought perhaps you could give us your views on it.

A Well, I don't know what saving that would effect, I am sure. All that I do know is the average wholesaling - - That would be a wholesaling proposition you mean, that the mines

price on the American coal as there is on the Canadian.

bothered my head to see what could be done or absorbing
the price.

Q No, while the consumer in Winnipeg is not responsible on
the part of the consumer, will you say that it is not the

Well, that has been the subject of investigation and more
to that point and it has never really got anywhere. As I
say, certainly, if you confined all the coal business in

looking to three or four coal companies you would distribute
it very largely and that would be the way to get it

WITNESSES WHATEVER: If the mine operators agreed on some plan to

will be largely subject to the coal companies and
on a tonnage basis, could that have any bearing would that
improve the situation over what it is now, in distribution?

Well, I don't know, but I think it would be a very
very small thing to do. I don't think it would be a very
thing to do. I don't think it would be a very
thing to do. I don't think it would be a very

Q I am not a coal operator.
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thing to do. I don't think it would be a very
thing to do. I don't think it would be a very

could come together and sell their coals direct to the dealer?

Q Yes.

A Well, as I am telling you, the commission paid to wholesalers is from 25 to 35¢ a ton; so that if they did it for nothing, that is all you would save. There is no question you could save some part of that 25 or 35¢, how much I don't know.

Q Through the centralization of the Souris field, have they not further extended their markets?

A Well, I could not hardly answer that, either; logically, I would say yes; I don't know whether it has worked out that way in practice or not.

Q There seems to me to be a greater tonnage coming from those fields than there was originally and I was feeling that that was attributable to that source.

A That might be very true. I think you could easily get that information. They would be very free to tell you how it has worked out. I believe they are considering now whether they will continue that arrangement or not. There are some of the mines have not gone into it and I believe that the feeling is that unless - there is one large mine there that has not gone into that pool and I believe the feeling is that unless that one mine does go in they may dissolve the pool. It has been a very satisfactory working arrangement in so far as the dealer is concerned; we find it all right. We buy our coal from the coal pool.

THE CHAIRMAN: That is one form of competition we did not discuss. What about Souris lignite? What does it sell for in Winnipeg?

A The price of Souris mine run is 2.10 and the freight is 2.30.

could come together and still think would be able to

Well, as I am telling you, the commission will be organized

is from 25 to 35 years; as that is what it is for

that is all you would have. There is no question you can

have some part of that 25 or 35, how much I don't know.

Through the centralization of the social field, have they

Well, I could not hardly answer that, either; logically, I

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way in practice or not.

There seems to me to be a present tendency coming from these

fields than there was originally and I was looking at

that was attributable to that reason.

That might be very true. I think you could easily get that

information. They would be very close to what you now do

they will continue to be very close to what you now do

of the mine have not gone into it and I believe that

there is a very strong tendency to be very close to what

and the fact that they are very close to what you now do

and the fact that they are very close to what you now do

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and the fact that they are very close to what you now do

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Q 2.10 f.o.b. the mine?

A Yes.

Q And that sells to the consumer - ?

A Oh, well, that is practically all used for small team deliveries and it is usually sold direct carload lots. You could add perhaps a dollar a ton to that. The domestic souris is about 2.50 at the mine and the same freight rate; that sells for 6.50 and 7.50, depending on the size. Because one is practically as it comes out of the car and the other is a hand-picked lump. The margin on souris is probably less than any other coal therebecause it is usually handled very rapidly. The consuming public there does not depend on souris; you can just bring it in at certain times; if you run out of it it doesn't matter, you have always got Drumheller to sell or something like that.

Q And you are closer to your supply?

A Closer and we have very little money tied up in it. But the souris competition, as far as Alberta is concerned, has not amounted to very much; it probably more takes the place of wood than anything else. There is quite a large consumption of souris in the early fall and in the late spring.

Q Still, that is a market we would like to get if we could.

COMMISSIONER WHEATLEY: Is it not that fact that has driven them in the past to a coal selling pool?

A Oh, I don't know whether that has had anything to do with it or not. That question of a coal pool is a pretty

Yes.

Yes.

And that sells to the consumer -

Oh, well, that is practically all used for small items.

It is a very small amount.

You could add perhaps a dollar a ton to that. The amount

is about \$2.50 at the mine and the same figure at

that sells for \$2.50 and \$7.00, depending on the size of the

stone. It is a very small amount.

It is a very small amount.

Probably less than any other small stone because it is

very small.

That is a very small amount.

That is a very small amount.

certain times; if you run out of it is a small amount.

have always got something to sell or something like that.

and you are closer to your supply.

closer and we have very little money left in it. But

it is a very small amount.

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place of work than anything else. There is a small amount

amount of work in the world. It is a very small amount.

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It is a very small amount.

It is a very small amount.

It is a very small amount.

big question but theoretically it is very good; I don't know how it would work out in practice.

THE CHAIRMAN: To continue on this competition - Souris at 5.40 for the carload lots and 6.50 to 7.50 retail, how does that compare with Drumheller at 12.50? Which do you think is going to gain or lose at such prices? Have you any ideas?

A Well, I don't know; it would only be my opinion.

Q I mean, as you watch the trade? That is the relationship that has been established.

A My study of the coal trade is this, that Souris will be sold in the early fall and in the late spring but in the very severe weather it is not very popular but I would not like to say much about that because I would not like to draw any close comparisons between Canadian coals. When you are speaking of Canadian and American coal I will go the limit but not - - We are in favor of Canadian coal down there; we don't care whether it comes from Alberta or Saskatchewan or where it comes from.

Q Well, I suppose a rough and ready guide is the relative prices that have been established in the market?

A Of course, that is a very good guide.

Q Of course, you did say that coke and Canadian coals have not yet reached their proper relation to be a stable - -

A No, I don't think they have, sir.

Q Well, now, Mr. Saunders, is there anything we have not touched on that you can help us with in the way of suggestions that might improve the trade of Alberta coal in your market?

big question but theoretically it is very good: I don't
know how it would work out in practice.

THE SECOND - to consider the coal trade - which is a

the coal trade and 6.50 to 7.50 cents, how does that

compare with Brumfield at 12.50? Which is the better

thing to gain or lose at such prices? Here you find

well, I don't know; it would only be an opinion.

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relationship of Canadian and American coal I will be the first

and not - We are in favor of Canadian coal here.

the first one is the one that is the best of the

in the coal trade.

well, I would say that the coal trade is the relative

relationship of the coal trade to the coal trade.

the coal trade, that is a very good thing.

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the coal trade, that is a very good thing.

A Well, you might think, Mr. Commissioner, from that evidence that the situation is very blue down there, to say there was no chance at all, but I don't feel that way about it, in fact, I have staked practically my entire business on the selling of Canadian coal and stuck to it year ~~in~~ after year and it has been gradually getting worse, but I feel it would be so easy to remedy it if everyone in the West would get solidly behind the movement. I was very much interested the other day in seeing where the coal trade in one of the American states had got in a very bad way. Coal was being shipped from other states right into that state and their mines were idle and a very serious condition; so even the coal miners themselves, I believe, approached the operators with a scheme to remedy those conditions and the operators and the miners both contributed to a large fund and they secured the best advertising talent that they could get hold of and they are putting on a very interesting and a very effective campaign to boost the coal mined in that state to be sold in that state, and I believe that is proving very successful.

Q What state? ~~a small percentage of~~

A I think it was Ohio; I am not just very certain.

Q Have you got the source of your information?

A I think Mr. Stutchbury showed me those advertisements; you can get them from him. But that is the sort of thing that would be effective. If the miners themselves, through their different ~~unions~~ influence, political and otherwise, the mine operators and the different boards of trade in the West

will get solidly behind this movement, we can drive American coal from Winnipeg and the Manitoba markets; it can easily be done. Geographically and economically that market belongs to us.

COMMISSIONER WHEATLEY: It was the State of Iowa, I believe, that put on that campaign.

A Oh, Iowa? I guess you are right. But to illustrate what can be done by a movement of that kind. Take this Crownest Pass Freight rate agitation which was started by the Winnipeg Board of Trade; that thing has been fought out and it looked at the beginning as though there would not be very much come of it but, at the same time, after we have got the Crownest freight rates, to my mind it would have been much better to have had freight rates put in which would have stimulated our industry rather than perhaps just reduce the cost of living. I don't think we are suffering from high costs of living so much as we are suffering from lack of work out here. The cost of living compares favorably with any other country.

THE CHAIRMAN: If that reduction had been applied to the coal rates?

A Yes, sir, if a small percentage of that reduction had been applied to coal rates we would have had some encouragement because there is a market down there for ~~more~~ close to a million tons for steam and domestic coal which would provide employment for a good many thousand coal miners in Alberta and, of course, that would stimulate industry all the way around. It would just perhaps be the one thing that would start prosperity again, because that just gathers like a snowball.

...no longer ...

Q I take it the first essential for a campaign of that sort
of
is to be perfectly sure/what you want ?

A Yes, sir, and I think we have pretty well decided just exactly what is necessary. There has got to be a sacrifice all along the line and I think you will find - I can say this, you will find the coal dealer willing to do his share and I think I can safely say that the mine operator will do his share, and I think that the coal miner himself, if he was made to realize this, would do his share. Now, it is just up to the Government to give us a sufficient protection; I don't mean by higher duty, but protection against a campaign of dumping, and it is up to the railroadsto perhaps reduce their coal freight rate to actual cost without any reference to comparison with some other commodity.

COMMISSIONER WHEATLEY: In the steam coal field, I could assure you the miner himself has come down to the lowest possible scale that could be drawn with the living costs as they are in this Western country. I would like to see the railroad companies, the coal dealers and coal companies put their cards on the table equal with the reduction that has taken place in the steam coal fields by the miners.

A Well, as far as the dealer is concerned, you can have everything we have; we have absolutely nothing to keep from you at all.

Q It is essential that some such plan as you say and in line with the sentiment such as you express regarding Iowa should be done if we are going to establish that market of a million tons that you refer to around Winnipeg.

I want to say a few words about the situation of the country.

It is a very serious situation, and I think you will agree.

Yes, sir, and I think we have pretty well decided that we must

what is necessary. There has got to be a sacrifice.

along the line and I think you will find - I can say this.

You will find that the situation is a very serious one.

I think I can say that the situation is a very serious one.

There, and I think that the coal mines should be closed.

and to realize this, would do his share. Now, it is time

up to the Government to give us a satisfactory protection.

don't mean by higher duty, but protection against a combination

of smuggling, and it is up to the Government to take action.

That will be the only way to protect the country.

to cooperation with some other country.

WHALEY: In the coal field, I could assure you

the coal field is a very serious one.

that could be drawn with the living coal as they are in this

country. I think it is a very serious one.

The coal field is a very serious one.

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The coal field is a very serious one.

A I am sure, Mr. Wheatley, that it will be done; in fact, it has got to come to it, that is all, but it is up to us to hasten the day, that is the whole thing. I am sure that this will be done eventually but we could make that effective inside of a year if we would all get behind it.

Q I feel so too, sir.

THE CHAIRMAN: Well, if there is nothing more, thank you very much indeed, Mr. Saunders. That is splendid.

R O B E R T P E A C O C K,

Being called as a witness and duly sworn, was examined by:

WITNESS: Before I give any evidence, I see we have Mr. Jones here; I would like to know if the statement would be contradicted. He said the Nordegg mines worked 233 days in 1924. The Calgary Herald said that last night. I had it contradicted in the Ambertan. They were idle 233 days and I would like to see the correction in the Herald.

THE CHAIRMAN: It says they had been idle 233 days.

A That is the Albertan; this says they had worked 233 days. As a matter of fact the mine only worked about 73 days in 1924.

Q Yes, they were idle 233 days in 1924. Well, I have no doubt Mr. Jones will be very glad indeed to correct that.

Q Your position, Mr. Peacock?

A Secretary-Treasurer of the United Mine Workers, District 18.

Q How long have you held that position?

A Since August 1, 1921.

Q Were you previously an official of the union?

A A local union previous to that at Lethbridge.

Q You have a statement, have you, that you want to put in?

A Yes.

Q It might be convenient if you would put in your statement and then we can take up general questions afterwards.

A Yes. (Reads statement)

Said statement put in and marked EXHIBIT 25.

Q It is very convenient to have it put in in this form, Mr. Peacock. We were given yesterday from the Commissioner of the Western Canada Coal Operators Association, a brief history of the wage negotiations since that association and its predecessor were formed to negotiate with you.

A Yes.

Q Were you here? Did you hear most of that?

A Well, the first time I was on any negotiations was in 1920. Mr. Wheatley was President at that time; it was the first time I had anything to do with the negotiations.

Q Can you tell us anything about the history prior to your time? Have you had occasion to - -

A No, I don't know anything about it.

Q Well, taking it from 1920, what date in 1920?

A I. June, 1920, we negotiated an agreement.

Q Could you give us an account of what happened subsequent to that in the way of negotiations, briefly?

A Between the operators and the miners?

Q Yes.

A No, I couldn't give you any information at all.

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It is very convenient to have it put in this form, ...

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Robert Peacock

Q I wanted to get the account of the same events from the other side of the negotiations.

A Well, I was away from - -

COMMISSIONER WHEATLEY: I can assure you, on behalf of ^{the Commission,} Mr. Peacock,

I was here when this was submitted by Mr. Young, that there was nothing in that testimony but what could receive the co-operation of Mr. Peacock; it was a history, Mr. Peacock, of the negotiations of the various increases obtained. I followed it very closely. We have a copy of it submitted by the Western Canada Coal Operators and, as far as I could judge, it was quite accurate.

A Well, I was out of the district from 1915 to 1919. From 1920 on any of the matter that was submitted was quite correct.

THE CHAIRMAN: We might look through this statement and get a little further explanation, perhaps, on some of the points. You say in the year 1924 they only found markets for their product to the amount of five million tons. Of course, you are overlooking the fact that ^{work} was suspended for a good part of 1924?

A Yes, but the mines didn't work in the steam coal fields after the strike was settled in October.

Q And wouldn't that be on account of loss of market?

A And yet there were 800,000 less tons came in from the States in 1924, of steam coal.

Q Don't you think the cessation of work might have something to do -

A Well, I couldn't say; you would certainly have thought they would have opened up their mines after the agreement was

I wanted to get the account of the same events from the other side of the negotiation.

Well, I was away from -

I was here when this was admitted by Mr. Young, that there

was nothing in that connection and that would be the

negotiation in the future; I was away from -

of the negotiations of the various interests outlined. I

followed it very closely. We have a copy of it submitted by

the Western Canada Coal Operators and, as far as I could

know, I was a member.

Well, I was away from the situation and I was away from

it and it was not until after the war that I was

able to look through this statement and get a little

further explanation, perhaps, on some of the points. For

say in the year 1934 they only found markets for their

product to the amount of five million tons. Of course, for

work
the overlooking the fact that was suggested for a good part

of 1934?

Yes, but the thing about it was that they had found

the market was limited in scope.

For example, they had no market for coal in the

United States and they had no market for coal in the

United Kingdom.

And I think the situation of the coal industry

in the

United States was very different from what it was

in the United Kingdom and that was the situation

Robert Peacock

signed carrying a reduction of 12½%. Some of the mines did not open until January, 1925.

COMMISSIONER WHEATLEY: Do you attribute it to a general depression in the country?

A Yes, that is what I did.

THE CHAIRMAN:

/Q You say you are presenting a budget. Have you got that?

A Yes.

Said Budget marked EXHIBIT 26

Q You said that the Ottawa budget for food, light, rent and heat -

A Shows \$21. for the month of March this year, per week.

Q How does that compare with your budget under the same headings, do you know?

A It is a little lower than our budget. We find that the cost of living is down 14% since the peak in 1921.

Q Well, let us just take time to make this comparison. You have food for one week, \$17.42, on the first column, or perhaps it would be more convenient to take the totals. The food for one year, \$905.84.

A Yes, that is just food alone.

Q Rent?

A \$154.32.

Q Light?

A 21.84.

Q Now, what else would be included in the Ottawa budget, that item of water and sanitation?

A Coal, 12 tons, \$50.52.

Q Was there no other item in your budget included in the Ottawa budget?

A No.

Q That gives the total of your budget of \$1132.52 compared with the \$1092. of the Ottawa budget?

A Yes.

Q How was the information compiled on these other headings of clothing, &c.?

A We struck an average from all the camps. Each camp sent a statement in showing what it cost for clothes down there and other things.

Q Is that supposed to be what it actually cost them or was it an estimate?

A That is what it cost. There were committees appointed in each local union to investigate the stores and find out the what the cost of clothing and other items was and we struck an average.

Q Was it estimated as to quantity?

A Yes, an estimated quantity.

Q So it is an estimated quantity and an ascertained price, strictly speaking; and you say the deficit must be met by debt or supplementary income?

A By members of the family, yes.

Q Have you any idea as to what extent that supplementary income prevails throughout the district?

A No, I haven't the least idea.

Q Have you any suggestions on supplementary employment for miners at other work?

- A Well, I say a miner is a miner; I don't think a miner has a right to go working on a farm. I heard yesterday they supplemented it by the miner coming to the farm in the summer time and the farmer coming to the mine in the winter time. We don't believe in that at all. Take, for instance, in the winter time in the Calt, Lethbridge, the farmers all flock to the mines in the winter time and take the work from the miners that are working all the year around.
- Q Take the conditions in a domestic field/^{that} ~~it~~ has been explained to us where the demand is seasonal and the coal won't store, what do you think the solution is there?
- A I haven't any solution for it at all, only nationalization of mines is the only solution we have to recommend.
- Q What would the nation do?
- A I suppose they would produce the coal and spread it over the year instead of working only in the winter times and being idle in the summer time.
- Q If the coal doesn't store?
- A Well, they do store coal anyway.
- Q Do you think it is economical to try to store that coal? Have you tried to study that?
- A I believe if we had buildings put up for that purpose they ought to be able to store the domestic coal, if they had sheds to put the coal in.
- Q Don't you think that if it was a good economical operation that the operators would do it?
- A I don't know.
- Q You mean, if it wasn't economical, you wouldn't want the Government to do it, would you?

Robert Peacock

A Perhaps the Government would do it if they had control of the mines, try it out.

COMMISSIONER WHEATLEY: There has been a recommendation for storage in concrete sheds. Have you any experience of that kind?

A No, none at all.

Q We had some coal shown us in Edmonton that had been in store for eight or nine years.

A I know that the place where I stay we have a concrete basement where the coal is stored and they put in four or five ton; we have it now and it will be good in the winter, in the fall of this year it won't ^{slack} fall at all, it is in a dark place. There is no light in there.

THE CHAIRMAN: Well, don't you think if that was really an economical thing that the nation could do that the operators would do it?

A The operators don't want to put the finances in it, I guess, don't want to take a chance, I don't know why they should not try it out. I did hear that Mr. Gouge was going to build sheds in Winnipeg to store coal. I don't know whether there is any truth in it.

Q We can hear more about that as we go along. Is that the official attitude of the union on supplementary employment?

A Yes.

Q Have you any members that are farmers in the summer time and miners in the winter time?

A Oh, yes, under the closed shop they have to be members and they may be farmers, come in the winter time to get work; they must be a member of the organization.

Q Do you know any of them that are making a success of it in

that way?

A I don't know whether they are making a success of farming;
I know they don't make much in the mines.

Q You don't know whether in the combination they do very well?

A No, I don't know of any.

Q What is your objection to it?

A Well, we think if the farmers would stay on the farms the
miners would get more work; there is too many miners in the
province now without farmers coming in and working in the
mines.

Q Well, if it was divided into seasons that way can't you
imagine a well-balanced operation?

A I don't think so.

COMMISSIONER WHEATLEY: You have a minimum wage clause in the agreement,
Mr. Peacock. Has it applied to these farmers when they have
come into the mines in the winter time?

A No, not to my knowledge it doesn't apply to the farmers.
They don't care as long as they get a wage; they don't care
about the conditions or anything else when they are around
the mines.

THE CHAIRMAN: If they came into a closed shop mine they would get the
minimum wage?

A Providing they ~~wax~~ ask for it. I don't think they would get
it if they didn't ask for it. We cannot get it for some of
our own members in some instances because they stay around
the camp steady.

COMMISSIONER WHEATLEY: Do you think that is one of the reasons for
the operators drawing on that source when they don't have

that way

I don't know whether it is or not

I know they don't mine much in the mine

You don't know whether in the combination they do very well

No, I don't know of any

What is your objection to it?

Well, we think if the farmers would stay on the farm the

miners would get more work; there is too many miners in the

province now without farmers coming in and working in the

mine

Well, if it was divided into sections that way can't you

imagine a well-balanced operation?

I don't think so

REPLY: You have a minimum wage clause in the agreement,

and the miners are not getting it

come into the mine in the winter time

and the miners are not getting it

and the miners are not getting it

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Robert Peacock

to pay the minimum wage?

A No doubt there is something in that.

Q Would that not be a source of friction amongst the men in District 18?

A Yes.

Q You believe that has been a factor in disrupting the organization?

A Yes.

THE CHAIRMAN: This commission that was referred to in 1919, ~~recommends~~ their recommendation was that there be a permanent commission, wasn't it?

A It was a recommendation there would be a permanent commission, yes.

Q Have you any detailed recommendations of the way in which they should exercise these various functions?

A I haven't got anything, no.

Q I see the first is that living and housing conditions, any matters pertaining to health and sanitation be dealt with by the said commission.

A Yes.

Q What sort of powers do you think that commission should have?

A Well, like the health inspector of a city, see that the houses are built right and the water is sanitary.

Q But isn't there inspection of that kind now under the Health Act?

A Well, I couldn't say. I know in connection with the schools in Alexo, the Saunders field, there is no school there at all. There are children who have never been to school yet and 12 years old; children who have never been to school at all, ten and twelve years old.

Robert Peacock

Q Where is that?

A On the Brazeau branch; I don't know if they have one at Saunders Creek or not.

COMMISSIONER WHEATLEY: No, there is no school there at all; it is one of the complaints from that district, that they have no educational facilities.

THE CHAIRMAN: Has that been brought to the attention of the Department of Education?

A Yes, the miners at Alexo subscribed so much to a school and built a school and the management made it into a pool room; after the miners providing so much for the school and for a teacher, the management made it into a pool room and I know there has been no school there.

Q You say it has been taken up with the department?

Q Yes, by a speech.

Q With what result?

A No result at all.

Q When was this?

A Last year, last fall sometime it was taken up with them.

It is an open shop camp and we cannot get in there to find out anything about conditions.

Q Well, which
Q It is the open shop, because you have a union at Saunders West?

A At Saunders Creek and Saunders West are the closed shop.

Q And this is?

A Open shop.

Which one are you referring to, at what place?

March 10, 1907

My dear Mr. [Name]:

I have your letter of the 7th.

Yes, there is no school here at all; in fact, the school is from that district, that they have

the school building.

Yes, the school building is the same as the one in the

the school building.

Yes, the mirror is also suspended as usual in a school and built a school and the management made it into a school room; the mirror is provided as usual for the school and for the school, the school made it into a school room and I know

the school building is the same as the one in the

the school building is the same as the one in the

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the school building.

A Alexo.

Q Well, who took it up with the Department of Education, then?

A The local union officials, took it up with the Department of Education.

Q Local union of what?

A Alexo. We had a local organization there and they put all the officials out that were members of the organization; then they throw it open shop.

Q Before they were put out of there they took it up?

A Yes.

Q What is the name of the mine?

A Alexo Coal Company.

Q Well, the manager of the mine tells us they have a school house to accommodate 28 children and a certificated second class teacher in charge of the schools and the schools are managed by a board of trustees and the employees contribute a dollar per month with a charge of 1.50 per month for each pupil ^{and} ~~the~~ the company pays the balance of the running expenses an average of about \$45. per month. The school building erected was a school fully equipped by the company, which also bears the balance of the running expenses, guarantees the salaries and the greatest distance from school is one mile and a half for children from West Saunders, and the average of the attendance is a quarter of a mile.

Q This may have happened since we were put out of there. During the strike there was no school there and after the strike they would not allow us into the camp. The police would not let us there and since then I don't know. I do know they

were using the school that was built for a pool room and there are children there twelve years old who had never been to school.

Q That was when?

A When the strike was settled, in October, 1924.

Q You don't know now that that has not all - -

A I don't know whether their school is in operation or not.

COMMISSIONER WHEATLEY: I see in Saunders West they recommend a school every three miles as there are no school facilities there.

THE CHAIRMAN: This report says a school for children from West Saunders a mile and a half away.

A Well, that will stand investigation.

Q Big Horn and Saunders Creek, they say "No school in those camps as yet, only two children of school age living in this camp; other children of resident families are at boarding school or ~~at~~ high-er grades are available for the older children.

COMMISSIONER WHEATLEY: The best school is at Alexo?

A At Alexo, yes.

THE CHAIRMAN: It doesn't say where the boarding school is., Do you know how many children there were then?

A No. Yes, there is a school at Alexo already built by the employees; the employees donated so much per month towards the building of the school and they paid so much a month for the up-keep of the teacher.

Q It would look as though that Alexo situation had been remedied, wouldn't it? What I am anxious to get is any help you can give us on definite recommendations under these

headings as to the form of control by such a commission.

A Oh, they make several recommendations which we don't agree with, this commission in 1919, such as making agreements - they wanted to recommend that they made agreements between the operators and the miners; we wouldn't agree to that, settling disputes.

Q Well, do you agree with No.5, that before mining operations are commenced, the question of the advisability of opening a mine -

A Yes, No.5 and 7; in fact, we agree with all the five clauses here.

Q But you have not worked out in detail just how any of these things could be done?

A Well, we could do it, if they were put into effect we would assist them in any way possible.

Q Have you thought out the details of a scheme of nationalization?

A No, we haven't thought it out. Take, for instance, the Old Country recommendation of the Sankey Commission, was it not?

Q What compensation would you give the present mine owners?

A Well, that would have to be worked out in detail too, I guess.

Q But on what principle would you settle it?

A Well, if they had a certain amount of capital it would have to be investigated, what capital they have invested in the mines. I couldn't figure it out myself; I am not much on that class of work.

Q And the owner of coal rights that have not been developed, what would you do with them?

A I would say they should be cancelled if they haven't been developed, refund them the money they paid on the lease.

Q And where they own the coal outright?

A Oh, if they own the coal outright, I couldn't say.

Q What do you think should be done with them? I didn't hear the answer.

A No, I didn't give an answer to that; I couldn't answer the question where they had bought the coal outright; but where a person had paid money on a lease it could be refunded.

COMMISSIONER WHEATLEY: Say some restriction should be put into force that any company that owned a mine, before they opened, should show the Government there was a possible market and that they would put up housing facilities and sanitary arrangements for their workmen?

A Sure.

Q Looking into this matter of education in that Saunders field district; you say Saunders West are also paying one dollar?

A They were but not now.

Q It seems to be an essential that there should be some (one school?) getting together in that, a section for the three camps?

A Oh, yes, there was.

Q Because that is deplorable and excessive charges. I see the operators are even referring to having to pay \$45. a month for the upkeep so that it is essential that the three camps get together and pool their expenses of educational requirements there. It is something we must look into.

A In connection with that Clause 5 of the recommendation of the commission, we have one particular operator in this district, he is now operating the Caledonian mine in Midlandvale. He operated the Seranton mine in 1923, went bankrupt and could not pay the wages, somewhere around \$22,000. were wages. He operated mines in Taber and a certain amount of money is owing there, and last year we had to have the mine put in trust. The man that bought the coal paid the wages, guaranteed the wages every month and now the mine is closed down and the men won't work until the money is put in some trust fund; they won't trust the man any more.

THE CHAIRMAN: Well, the recent amendment to the Mines Act takes care of that.

A I don't think the men would work under the amendment to the Mines Act. The men have got to have the money under the trust before they will work there. It is the Seranton mine, B. K. Pullock is the operator.

COMMISSIONER WHEATLEY: This new amendment is in force and can be taken full advantage of if there are any wages that are still owing, it just needs reporting to the Government and they will put a trustee in charge of that and make the first claim on any sales of coal. ^{A.} Supposing a man works two weeks and there is no pay, can the Government force that man to pay when there is no money?

Q Yes, but -

A That is what we did in 1923, but they couldn't sell the coal and sell the material around the mine and the wages are still

owing and the man is operating the mine again.

Q You would suggest something more definite?

A It is a practice he has followed for fifteen years. I have known him for the last fifteen years. I understand he owns a lot of coal land down in the valley near Rosedale, has a monopoly of the coal leases down there.

THE CHAIRMAN: Has he been sued in court for these wages?

A Yes, we have had him in court.

Q Have you had judgment against him?

A Yes, but we cannot get the money.

Q Have you a judgment against the mine properties?

A The mine property has been taken away from him, it belongs to a trust company.

Q Just how do you think that could be prevented in isolated cases?

A The man should have capital in the bank; the wages should be guaranteed in the bank before he should be allowed to operate a mine.

Q I don't just quite ^{understand} ~~agree with~~ what you are after.

A Well, this man, the President of the Bil- (?) Lumber Company, there is \$20,000. deposited in the bank to guarantee the wages; he had to pay the wages whether he got the money for his coal sold or not, and he had to pay the wages. On the 1st of April he refused to act any further as trustee for the miners' wages. We haven't got anyone who will act as trust. The operator claims he is able to handle the affairs himself now but no one will work under him as long as he is handling the funds.

...and in operating the mine again.

You would suggest something more definite?

It is a practice he has followed for fifteen years. I have

known him for the last fifteen years. I understand he owns

a lot of coal land down in the valley near Colorado, near

monopoly of the coal mines down there.

BAITMAN: Has he been sued in court for these wrongs?

Yes, we have had him in court.

Have you had judgment against him?

Yes, but we cannot get the money.

Have you a judgment against the mine property?

The mine property has been taken away from him, his holdings

are all gone.

How far is the mine from the town of Colorado?

Twenty.

What is the name of the mine?

It is called the Colorado mine.

What is the name of the owner?

I don't know the name of the owner.

What is the name of the mine?

It is called the Colorado mine.

What is the name of the owner?

I don't know the name of the owner.

What is the name of the mine?

It is called the Colorado mine.

What is the name of the owner?

I don't know the name of the owner.

What is the name of the mine?

Q What general recommendation have you to make?

A Well, the operator would deposit so much money in the Bank or to the Government.

Q Who?

A The operator.

Q How much?

A Enough to cover his employees.

Q For what period?

A For two weeks' period. For instance, in the East, a book-maker deposits so much money in the Government before he can operate a book.

Q Would you limit this to the mine?

A To any industry. It seems the miners are the ones that suffer all the time.

COMMISSIONER WHEATLEY: The rest of the industries have some recourse in the Mechanics' Lien Act?

A Yes.

Q It does not apply to the mine worker; you cannot put a lien on the coal.

COMMISSIONER DRINNAN: Is your suggestion that coal mining is as speculative as horse racing?

A It seems that way to the miners. Don't you think so, Mr. Drinnan?

Q I don't know whether the profits are as great.

THE CHAIRMAN: I am really interested to know. You would not suggest that universally? You would not compel the big companies to keep that much loose money in cash in the bank?

A I don't know, I don't see why they should not be any more

What general recommendation have you to make?

Well, the operator would deposit so much money in

the bank.

Yes.

The operator.

Yes.

Would it be the same for the operator?

Yes, the same.

For two weeks' period. For instance, in the bank, a bank-

operator deposits so much money in the Government before he

can operate a bank.

Would you like to see the bank?

Yes, I would like to see the bank.

Yes, all the time.

GENERAL RECOMMENDATION: The rest of the industries have more resources

in the industry, the rest.

Yes.

It would be the same for the rest of the industry.

Yes, the same.

GENERAL RECOMMENDATION: In the industry, the rest of the industry

operator has more resources.

It would be the same for the rest of the industry.

Yes.

I don't know what the rest of the industry is.

It would be the same for the rest of the industry.

It would be the same for the rest of the industry.

It would be the same for the rest of the industry.

I don't know what the rest of the industry is.

than any small company.

- Q You are just putting another charge on the industry if you do it; ^{if} they have got to carry that much idle money. What would the payroll of your company be for two weeks' total, Mr. Wheatley? Have you any idea.

COMMISSIONER WHEATLEY: About thirty or forty thousand dollars.

THE CHAIRMAN: That non-payment of wages is one of the serious questions we have got to make some report on and if we get some scheme that is feasible we will be glad to recommend it. Your suggestion is a deposit of two weeks' wages?

- A Yes. Well, we don't want to have such burdens on the industry; there is enough burdens on the industry now but I would sure like to see that such a man as B.K. Bullock -- there is enough men like him in the industry.

- Q Could you say that any man who had a judgment against him for wages had to do certain things?

- A Yes, that he would not be allowed to operate.

- Q He could do it, then, in his wife's name or in the name of a company, couldn't he?

COMMISSIONER WHEATLEY: I feel, myself, Mr. Peacock, this new provision in the Mines Act, the amendment relative to wages, would be quite effective in that matter.

- A It should be hoped so.

THE CHAIRMAN: You might give it a trial and then if it does not work out we might advise something else.

COMMISSIONER WHEATLEY: It means that wherever wages are not paid a receiver is put in there by the Government and it is a very poor business recommendation for any company to be in the hands of a receiver, to my mind, no one would wish to do

Q. Now, you have not to worry that much this morning. The
the proposal of your company as for two weeks' time.
A. Whose? Have you any idea?

Q. Now, that non-payment is wages is one of the serious conditions
and we not to make some report on and if we get some
someone that is feasible we will be glad to recommend it.

Your suggestion is a deposit of two weeks' wages?
A. Well, we don't want to have such a deposit on the balance.
We want to have it in the form of a deposit and we don't want
like to see that much a man as W.K. Sullivan --

for wages had to do certain things.
A. Yes, that he would not be allowed to operate.
Q. He could do it, then, in his wife's name or in the name of

Q. I think WHEATLEY: I feel, again, Mr. HENNING, this new provision
in the Labor Act, the amendment relative to wages, which
will be effective in that matter.

Q. It shall be paid to
the man who is the first to give it a vote and it is to be paid
and not to any other person.
Q. Now, if it is to be paid to the man who is the first to give it a vote
and not to any other person, then it is to be paid to the man who is the first to give it a vote
and not to any other person.

business with him, in fact, it means him practically going out of business and I feel it will be a deterrent in the future.

THE CHAIRMAN: Have you any recommendations to make with regard to the present Mines Act?

A I think the recommendations have all been made this year. There is one there I would like to get, in connection with the check weigh man. The check weigh man must be a working miner before he can act in that capacity, a practical working miner. We claim the men have a right to appoint whom they see fit to act as a check weigh man and we want to get it eliminated from the Act.

Q What is the point?

A Well, he must be a working miner at the time of the election, according to the Act, according to the interpretation of the Mines Act and according to the operator and the Government, that he must be a practical working miner before he can be elected by the miners for a check weigh man.

Q Why do you want that done?

A Well, we have men that cannot get work any other place, other mines, and we would like to put them in as check weigh men, men that are discriminated against even by the coal companies.

COMMISSIONER WHEATLEY: Not only that, there are men that have had accidents at various times?

A Yes, crippled.

Q That belong to the ranks of the mine workers that they feel like putting into those positions, even men that came back from overseas.

it means his responsibility being

there.

WILLIAM: Have you any recommendations to make with respect to the

present situation?

I think the recommendations have all been made this year.

There is one thing I would like to see, in connection with

the check weigh men. The check weigh men must be a working

miner before he can act in that capacity, a practical working

miner. We claim the men have a right to operate when they

see fit to act as a check weigh man and we want to put it

in the constitution.

That is the point.

Will it mean a working miner in the Union is not

accorded to the act, according to the interpretation of the

act and according to the act and the act and the act

that he must be a practical working miner before he can be

checked by the miners for a check weigh man.

That is the point.

Will it mean that a working miner is not

accorded to the act, according to the interpretation of the

act and according to the act and the act and the act

that is the point.

WILLIAM: Have you any recommendations to make with respect to the

present situation?

I think the recommendations have all been made this year.

There is one thing I would like to see, in connection with

the check weigh men. The check weigh men must be a working

Robert Peacock

THE CHAIRMAN: Is that all you have to suggest as to the Mines Act?

A Yes, it is about all we can suggest, except that ^{all} ~~the~~ safety lamps be free to the miners, supplied by the company. There are only three camps in District 18 where they pay for electrical lamps and I don't see why they should pay for them.

COMMISSIONER WHEATLEY: What are those camps?

A Lethbridge, Galt, but No. 3 is closed down now, and North American Collieries. To my knowledge they are the only two that are paying now - Galt Mines and the Lethbridge Imperial Collieries.

Q What are they paying?

A One per cent. of the gross earnings.

Q What lamp do they use?

A Edison electric lamp.

THE CHAIRMAN: Would you be free to come back this afternoon? It is about time for us to adjourn.

A Well, I have very little further information to give you. I did not expect to give you any information at all except reading the statement because you can get all the information from our locals in the camps.

Q Mr. Sherman or Mr. Lovatt - -?

A They are out of the district.

Q They won't be able to be here?

A No. I just want to point out to you the average wage in the district, in this district and Nova Scotia and Vancouver Island. Vancouver Island the average wage there is 5.31, in Alberta is 5.36 and in Nova Scotia it is 4.46. The men are asking for an increase down there and the companies are

Q. Now, is that all you have to suggest as to the facts?

A. Yes, it is about all we can suggest, except this testimony.

Q. Now, he goes to the witness, and he is asked by the company, where

are only three camps in District 10 where they may find

any of the camps, and he is asked by the company, where

are the camps, and he is asked by the company, where

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are the camps, and he is asked by the company, where

asking for a reduction.

Q How do you get at that average wage?

A We strike the day wage rate and the contract miners' rate the Government issues a statement of the year -

Q Do you pay any attention to the number of men that are working at each rate?

A No, I take the amount.

Q You add up the whole list and divide it by the number?

A Yes.

Q It doesn't give the average of what the men earn?

A This doesn't include the boys; the boys would bring it down less than the 5.36. The average contract miner for 1924 is 8.33 in Alberta and there has been a 20 per cent. reduction on top of that.

Q What is the point you are making about it?

A We think the wages are too low in this district now in order to meet the budget that has been drawn up by the miners.

Q But as compared with British Columbia, did you make the comparison?

A They were 5.31 and they have a Cost of Living Commission down there that goes into the cost of living every three months.

MR. BEAVER JONES: That has been discontinued.

A Not as far as I know.

COMMISSIONER IRINNAN: The last agreement did away with it.

A I didn't know that.

COMMISSIONER WHEATLEY: Yes, that is correct, Mr. Peacock.

COMMISSIONER IRINNAN: How does the cost of living in Nova Scotia com-

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compare with Alberta?

A The cost of living in Alberta is about even, I think.

Q They are even?

A Something like that. In the month of March; they were lower than Alberta in February. You see the conditions of the miners in Nova Scotia with 4.46. They are starving to death, the miners down there and their families. It will soon apply to Alberta too the way things are going.

THE CHAIRMAN: But they are not working there. If there is no work going on of course they are not getting any income.

COMMISSIONER WHEATLEY: What is your views in regards to the increasing of the wages in accordance with the cost of living, as formerly? Do you think that custom should prevail?

A I say the cost of living is down 14% below the peak of 1921 and the wages have been reduced now over 30%. In my opinion the wages have been reduced far too much according to the cost of living.

Q Should wages be governed according to the cost of living?

A Well, I think so.

Q You favor the re-establishment of a commission, of what was here formerly?

A Well, I would not say that.

THE CHAIRMAN: Well, Mr. Peacock, isn't it probable that you may have some more definite and detailed recommendation to offer us to hand on?

A If I have I will bring them in and place them before you.

Q Will you please do that?

A Yes.

Q Because we are anxious to have them worked out as definitely and concretely as possible so that they can be given effect to.

A I will probably be in Lethbridge when you are down there.

Q That will be splendid. We can perhaps get some more help from you there; and some of the others, too. I would like to see as many of your people as we can to get their views on these things. If there is anything else that you can give us we will be here this afternoon and tomorrow morning, I expect, anyway. In the meantime we will adjourn until 2 o'clock.

Adjourned until 2 o'clock P.M. to-day.

.....

2 o'clock P. M., Tuesday, May 12th, 1925.

JAMES K. VALLANCE,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: J. K. Vallance, of the Mid-West Collieries?

A Yes, sir.

Q Drumheller is the post office?

A Yes.

COMMISSIONER WHEATLEY: What is the tonnage, Mr. Chairman?

THE CHAIRMAN: What is your mine capacity?

A Per day?

Q Yes.

A Between seven and eight hundred tons.

Q You gave us the information in the questionnaire but you did not reply to many of the general questions asking for suggestions and that is what we would like very

much to get from you this afternoon, if you have any suggestions to offer under the various headings. What have you to say as to the technical aspects of coal production, that is, the use of machinery and other methods of cheapening production?

A Well, Mr. Commissioner, I have nothing to say about it. I am sure you will find other men in the Drumheller field more capable of answering you these questions. I would like to and be only too willing to but I am not an authority on it.

Q Any suggestions on the subject of marketing?

A Well, of course, personally speaking I would like to see a wider market. Continuing on the same strain, I don't think that we shall ever obtain that until we get the reduction in wages and lower freight rates which will then give us a wider market and more working days per year for the men.

Q You have an agreement with the U.M.W.A. at the present time?

A Beg pardon?

Q You have an agreement with the United Mine Workers?

A Yes.

Q So that the rate is the rate called for by the agreement of October, 1924?

A Yes, sir.

Q I see you give the average earnings of contract miners 3% at \$8. This is for the year 1923 - 24% at \$9.00, 10% at \$10., 14% at \$11., 14% at \$12., 16% at \$13..

much to get from you this afternoon, if you have any

suggestions to offer under the various headings. I have

have you to say as to the technical aspects of each item

mentioned, and I am sure you will be able to do so.

My committee is waiting.

Well, Mr. Commissioner, I have nothing to say about it.

I am sure you will find other men in the Department field

more capable of answering your various questions. I would

like to and be only too willing to but I am not an engineer.

Let us sit.

Any suggestions on the subject of marketing?

Well, of course, personally speaking I would like to see

a wider market. Continuing on the same theme, I don't

think that we shall ever obtain that until we get the

attention of the public and the Government.

then give us a wider market and more working days per

year for the men.

and have to do with the U.S.A. at the present

stage.

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3% at \$14.. 3% at \$15. and 7% at \$16.

A Yes, sir.

Q Those are your figures. That question of ours should have been put a little differently; it should have called for the percentages between the limits; it should have been for the percentage that ran somewhere between \$8. and \$9. That was the way the most operators took it in answering it. When you say 3% at \$8., what did you mean by that?

A Well, sir, to be candid with you, I didn't make it up; it was my accountant and therefore he submitted the figures to me, which he said were correct, and further submitted them to our auditor, who also verified them as taken from our books.

Q So you don't know whether \$8. was the nearest figure to the actual earning or what they tallied?

A Not unless one could arrive at the average of them from the lowest to the highest and dividing it by the total amount would give you the average earnings.

Q The suggestion has been made from some operators in the Drumheller field of a pooling arrangement for the selling of the coal. Have you considered that?

A No, sir, I have not.

Q Do you think it would work?

A I am not in a position to say.

Q You haven't thought about it?

A No, sir.

COMMISSIONER WHEATLEY: What is your method of marketing coal?

A The usual, selling coal to the coal agent.

[illegible]

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Q Have you no complaints to make in regard to that method?
You are quite satisfied with it?

A No.

Q You are not satisfied?

A I beg your pardon, I thought you said, Have I any complaints?
To that I would say, No.

Q You are quite satisfied with that method of marketing coal?

A In so far as conditions in the western country, yes.

THE CHAIRMAN: Have you any comment to make on the Mines Act and
regulations?

A No, sir.

Q No changes to suggest?

A No, sir; I think the Mines Act is very forcible, right now.

Q What about the Workmen's Compensation?

A Personally, I have no objection to it at all. I might say,
Mr. Commissioner, I have heard many complaints on it but
I have not sought to verify it or otherwise, therefore, I
am not in a position to make any comments at all on such
high authorities.

Q There have been suggestions made as to limiting the number
of mines that are operating. Have you thought about that
at all?

A Oh, naturally, but I have no suggestions to make under that,
either; I don't think that these questions are for the like
of me at all.

Q Aren't you, perhaps, too modest? Perhaps if you would make
us some suggestions they might be some of the most valuable
we have had.

A Well, there are so many John the Baptists in the wilderness

Jas. K. Vallance

already, you know.

COMMISSIONER WHEATLEY: Do you admit you are in the wilderness on this matter?

A I am at sea in most things, sir.

THE CHAIRMAN: You look like a pretty fair sailor, though.

A Well, that is when a good sailor is found out, at the time of a storm.

Q Speaking generally, are there any suggestions of any kind you could make to us even on detail matters or general principles?

A No, sir; I am sorry that I have none at all.

Q Well, we are very much obliged for the information you have given us here and elsewhere and it will work into our statement of the industry and perhaps later on when we get to Drumheller - in the meantime something may have occurred to you you would like to say.

COMMISSIONER WHEATLEY: Mr. Vallance, what is the relationship between yourself and your employees? Are they satisfactory?

A Of the very best.

Q That is the only question I have, Mr. Vallance.

GEORGE L. BROCKBANK,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your position, Mr. Brockbank?

A Manager of Coal Sellers Company, Limited.

Q How long have you held that position?

A Three years.

Q Previous to that time any connection with the coal industry?

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A Yes, for eight years with the Alberta Pacific.

Q The Alberta Pacific - ?

A Grain Company, handling their retail coal.

COMMISSIONER WHEATLEY: As their salesman?

A Yes.

THE CHAIRMAN: On the coal end of it?

A On the coal end.

Q Any previous experience to that with Alberta coal?

A No.

Describe briefly the organization ^{and} /scope of the Coal Sellers Company Limited. What is the capitalization of it?

A 150,000. The company is organized for the purpose of handling coals from certain districts; they are under contract with the North American Collieries for Imperial and Pembina, Hillcrest Collieries, Luscar and Mountain Park, the Midland from Drumheller; then we have selling arrangements with other Drumheller companies and also in the Saunders Creek field.

Q How long has the company been operating?

A The company was first of all operating as Coal Sellers Limited since about 1915 or '16 ; then was reorganized three years ago as the Coal Sellers Company Limited.

Q At that time you were made manager?

A Yes, sir.

We were told by your representative in Edmonton that the general principle was to have a variety of coals to offer.

A Yes, that is why we have the Edmonton district - pardon me, I left out Black Diamond in Clover Bar, that is one of our coals.

Q You have, then, Edmonton coals?

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on, for eight years with the American Pacific.

the American Pacific

the American Pacific

the American Pacific

Yes.

Q: On the coal and oil?

A: Yes.

Any previous experience to that with American coal?

No.

and

Describe briefly the organization (name of the coal seller)

Company Limited. What is the capitalization of it?

100,000. The company is organized for the purpose of holding

the coal and oil

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A Edmonton, Pembina, Drumheller, Saunders Creek and Lethbridge, together with the steam coals from the Crowsnest Pass and also from the Coalpur district.

COMMISSIONER WHARTLEY: What mines in the Crowsnest Pass?

A Hillcrest.

THE CHAIRMAN: Well, have you the exclusive marketing of some of these coals?

A The exclusive marketing of them all.

Q The territory in which you sell, then, is the whole market for these coals?

A Yes.

Q I am going to ask you for the market and a short time for it.

Q We might deal first, then, I think, with the local Alberta market.

A The Alberta market is getting really spottier every year because during the times when we have the bad crops the farmers suddenly discovered coal in the sides of the banks that they never knew existed before. You have ^{that} along the Canadian National, that is, the north line; we had to contend with that; and to come along the Grand Trunk line, you have got your mines at Tofield and then when you come along the Wetaskiwin line of the C. P. R. you have got the Battle River mines. The Goose Lake line is perhaps more dependent upon the regular coal than what the other lines are. When you get down on the Carmangay-Aldersyde line, there again you have got the mines around Champion and south of Lethbridge you have got these river mines. In a season when you have good crops you will find the farmer hasn't the time to go to the local mine and he will buy more of the better class coal but in the season when you have the poor crops anybody

Geo. L. Brockbank

within a distance of practically fifty miles of a mine that has nothing to do, they will go and haul their own coal.

Q Can you divest yourself from your position as general manager for the coal selling organization and express an opinion as to the part ^{plays} of that/in the general scheme of things in the province?

A What I - ?

Q What I mean , is that a good thing?

A No, it isn't a good thing.

Q Why not?

A It is a good thing for the farmer and a poor thing for the coal man. From the farmer's standpoint, you cannot blame him if at times he does go and get this river coal; it answers the purpose, heats his house; he may have to get up two or three times in the night to replenish his fire; and it is having its effect on the regular mines to-day. Of course, the method of mining is, I suppose, crude and has a certain amount of danger to it.

A I suppose we would get an estimate of the amount of such mining if we examined from the Mines Reports the output of mines below a certain size, or have you an estimate there?

A Well, I just brought this. The total for the year 1924, for instance, they gave Aldersyde here for the year 1924, 10,051 tons. Now, I don't know just what that represents.

T They gave, for instance, Bow Island, 4313; they gave Brooks, that would be the Bow City mine, 7586; then they gave Hanna, I suppose that is Sheerness, 42,000.

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- Q Just a moment, is there no ^{mine} ~~man~~ in that district you would call a legitimate mine?
- A Well, I don't know whether you would call the Sheerness or not; they are not really organized, I don't think they have got sufficient capitalization to carry on, consequently the mines, I think, have been more or less in liquidation.
- Q But that does not come quite within the class of the farmer.
- A No, that doesn't. But Magrath they gave 2350; Milk River they give 7200 tons; they give Trochu 15,151. Well, you take all that tonnage together, with perhaps some I have missed, and I suppose you would count up perhaps 150,000 tons.
- Q Do you think that all comes in the class you have ^{instanced?} ~~illustrated?~~
- A Yes, it does because there are no regular operating mines, they are farmers' mines in those districts.
- Q At what output per annum would you draw the line as to whether it was - -
- A Well, I am just going from practical knowledge of the districts from which these coals come, that they are wagon mines, they aren't shipping mines. Take, for instance, Champion, I think the mine is eight miles away from the railroad.
- Q That is the distinction you are drawing, as between the mine that can ship by railroad and the wagon mine?
- A Yes. Now, in a good year the shipments from those mines won't be as heavy as what they have in a poor year because the farmer's taking his grain to the elevator does not want to be bothered going back home and hauling his coal, for one thing, he is wasting the energy of his horses; and he

will buy his coal and pay the price for it.

- Q Does the Mines Report indicate in the case of each mine whether it has railway connection or not? I don't think it does.

COMMISSIONER WHEATLEY: No.

THE CHAIRMAN: It would be interesting to examine, year by year, the output of the mines with and without rail connection.

- A It is very interesting. The average for the five year period of the total lignite shipments is 3,018,818 tons and last year the shipments were 3,070,724, so that we are well up, in fact, we are over the average for the five year period.

- Q What do you draw from that?

- A Well, that we have retained the most of our market.

- Q In comparison with three million tons, giving these wagon mines one hundred and fifty thousand tons, is that a very important - - ?

- A No, it isn't except just for the Alberta market; it doesn't affect the other provinces at all.

- Q From your point of view you say this does make your market spotty?

- A Yes, it does - - you take along the Wetaskiwin line, at one time, and also for that matter along the Coronation line, there was one time when - - this was when I was with the Alberta Pacific - when we would ship possibly an average of 12 to 18 cars per point, whereas now I doubt very much whether it will average 7 cars per point, and it is these wagon mines which have cut into that business.

- Q Have you any suggestions, from your point of view, as to

what should be done about it?

A Oh, no, I don't think you can do anything; it is simply a natural condition which I don't see how you can take it away from the people living in that particular district; it is their fortune and our misfortune.

Q But it is a factor in the local situation?

A It is along those certain lines.

Q What about the competition of gas in the local markets?

A Well, you only find that really in Calgary and Edmonton .
(coal)
Edmonton, the/business is handled by the mine itself.

In Calgary here there is no doubt that gas has a variable effect on the market and I suppose, as we go on, it will have more effect because people will burn gas in the early fall - I should say, from late spring to early fall, anyway.

Q Being interested in coal, have you ever worked out the relation between coal at a certain price and gas at a certain price?

A No, I haven't because it only interests this one market here, as far as we are concerned.

Q Don't you make an argument with a man who is dropping coal?

A No, sir; it is very hard to get an argument with a man who can just turn on a gas jet.

Q Do you burn gas yourself?

A No, sir, I live in a suite.

Q Do you find the same thing with electricity as with gas?

A No, electricity is only beginning to make itself known.

Q It is not a factor at all?

A No, it is not.

What should be done about it?

Oh, no, I don't think you can do anything; it is a tragedy.

away from the people living in that part of the country; it

But it is a factor in the local situation.

What about the composition of gas in the local market?

Well, you only find that really in Calgary and Edmonton.

the business is handled by the same people.

In Calgary here there is no doubt that there has been a variation.

have more effect because people will burn gas in the city.

tell - I should say, from late spring to early fall, anyway.

Being interested in coal, have you ever worked out

relation between coal and a certain price and gas and a certain

prices?

No, I haven't because it only interests this one market here.

Q Is there any fuel imported into this market from outside that creates competition?

A No - that is, you are talking of Alberta?

Q Yes, we are dealing with Alberta first.

A No.

Q Short of more population, have you anything to suggest to improve the Alberta market?

A More population.

Q Does the price of the coal have any effect on the amount consumed here?

A It would; it will have a very material effect. My idea is this, that if you had a commodity which could be sold possibly, or could be bought by the dealer from \$1. to \$1.25 below the present cost, f.o.b. point right now, that you would sell more coal. The cheaper the commodity the more they will use it.

Q Well, I suppose that is only true where there is something else to displace, isn't it? Roughly speaking, a man might not be quite as careful of his coal if it is not as expensive?

A Well, that is what I meant and you will be surprised what effect that has, because you come to a chilly day in the spring and you are just wondering whether you are going to put on a fire or not if that article is costing you \$11. a ton or \$9.75, it is going to have its effect on your unconscious ideas.

Q Has there been any reduction in the coal for the Alberta market from any of these mines since the new wage scale?

A Yes, about fifty cents a ton.

that created competition?

A - That is, you are talking of Alameda?

Yes, we are dealing with Alameda.

No.

Q - Short of more population, have you anything to suggest to

the people of Alameda?

Yes, I think so.

Does the price of the coal have any effect on the people?

Yes, it does.

It would, if it were not for the fact that the people of Alameda

are, that if you had a commodity which could be sold

freely, or could be bought by the people of Alameda, it would

be sold below the present cost, I think, of the people of Alameda, that

you would sell more coal. The question is, whether the commodity is

one they will use it.

Well, I suppose that is only true where there is a commodity

one to dispose, isn't it? People's spending, I mean.

Not be quite as careful of his coal if it is not as good as

well. But if you have a commodity which is not as good as

well, that is, if you have a commodity which is not as good as

well, that is, if you have a commodity which is not as good as

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well, that is, if you have a commodity which is not as good as

Q Which mines?

A Well, the Lethbridge mines reduced to 50¢ a ton and the Drumheller mines I think 30.

Q Well, Why would the Drumheller mines drop?

A Well, Lethbridge coal costs more, therefore the percentage of reduction would be greater than on the coals which don't cost so much.

Q But why should Drumheller make a reduction now?

A This is last October, I mean.

Q But I was referring to this recent - -

A Oh, that is only steam coal. There has been a reduction in the retail price of 70¢ a ton.

COMMISSIONER WHEATLEY: On this recent reduction? What was it in October?

A The price at the mine was 5.05; now it is 4.35.

THE CHAIRMAN: That is Hillcrest?

A That is Hillcrest, all the mine run coals of the Crownest.

COMMISSIONER WHEATLEY: Where was the steam coal shipped to?

A We have lost most of our market because the fall of 1923 we sold about thirty-two or thirty-three thousand tons of Hillcrest coal.

Q What was the source?

A Just for ploughing, for steam plants.

THE CHAIRMAN: Where did you sell that?

A From Regina west, throughout the different towns. Last year our sales of Hillcrest coal were 3000 tons odd, the strike killed the sale of Crownest steam coal.

Q Substituted by what?

A

Well, the Robinsons didn't come to the

funeral either, did they?

Well, why would they? They were

Well, Robinsons don't come to funerals, do they?

Well, they would be expected to come to the funeral.

Well, they would be expected to come to the funeral.

That is last November, I mean.

But I was referring to the recent -

Oh, that is only about a year ago. There has been a funeral in

the retail price of 70¢ a ton.

ON THE WHOLE: On this recent reduction, it is in fact

the price at the time was 5.00; now it is 4.50.

MAN: That is Hilbert?

That is Hilbert, all the time and some of the time.

Well, we lost most of our market because the fall of 1913 we

lost about half of our market because of the fall of 1913 we

Well, we lost most of our market because the fall of 1913 we

Well, we lost most of our market because the fall of 1913 we

Well, we lost most of our market because the fall of 1913 we

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Well, we lost most of our market because the fall of 1913 we

Well, we lost most of our market because the fall of 1913 we

A By domestic slack and by American steam coals. You will be surprised the amount of American steam coal which came up as far as Regina last fall during the threshing season. I know one place where we used to ship possibly six or seven cars of Hillcrest coal, last year there were five cars of American steam coal went into that point and it is going to be a hard job to oust it because it is there.

Q At this reduced rate do you think it could be done?

A Well, we are going after it; it won't be our fault if we don't get it but once you establish coal it is not the easiest thing to get it out; if somebody uses something as a substitute and find they can do with it, it will be equal, they are just as liable to buy that again next year.

Q I was trying to deal with it by markets. Perhaps it would be better to deal with it by coals, so we will switch to that and discuss the steam coals, and you have given us an answer, whereas you used to sell from thirty-two to thirty-three thousand tons, that is cut down last year to what?

A That is cut down last year to three thousand tons, approximately; that first figure may be a little high but if necessary, I could verify it.

Q The price as given us here for the year '24 is 4.60 f.o.b. mine in December.

A Well, those aren't commercial prices.

Q Is that the price to the railway?

A That may be the railway; there was no commercial business; it is not the commercial price; the commercial price is 5.05 less, of course, the commission.

Q Well, what do you think is necessary to regain the market for the steam coal that you used to handle?

A Well, one thing, steadier operation - at least, I should not say, steady operation but operation without any interruption at the season when the people want the coal, together of course with a price equal to the value of American steam coals. Remember, a farmer does not really test the coal by its heat units. You can ship a car of steam coal to one man; you can ship one to his neighbor and they will vary in opinion; it is pretty nearly the result of what your fireman does for it as to whether you get a repeat order. But, you see, two years ago, the strike did not end until - that was in 1922 - the strike cut us off part of our threshing business in 1924 it cut us off it all. Now, just what proportion we would have got then is hard to say but certainly the farmers threshed their grain but how they threshed it and with what I don't know.

Q And your supply is more subject to interruption by strikes than the competitive supply?

A Well, it has been, if you are comparing the Crowsnest with American steam mines. See, American steam mines usually have a supply on the docks at Duluth or Fort William; it makes very little difference whether there is a strike or not a strike, you can always get the odd car for your domestic trade. The mines in the Crowsnest cannot carry any coal on the bank; they have nowhere to ship it.

Q We have the figures somewhere else as to the interruptions

of work on the other side of the line..Mr. Wheatley probably knows if there have been strikes over there to compare with our strikes here.

COMMISSIONER WHEATLEY: Very similar; the agreement with the American mine workers are very much the same.

THE CHAIRMAN: Does the strike interfere with our - -

COMMISSIONER WHEATLEY: Most of the shipments are from the non-union mines.

A And, as I say, there is always a big tonnage on the docks.

THE CHAIRMAN: You regard this question of continuity of supply as one important factor?

A Yes, I do; for instance, you go to work and spend - I suppose we have spent thousands of dollars on our steam coal advertising; you go to work and you work up that market for that particular coal. The next year comes along and a strike and they buy some other coal; I don't care whether it is from the Crowsnest or where it is, whatever it may be, then the following year you have got that work to do again because you have got to get that back for your own mines.

COMMISSIONER WHEATLEY: Have you given any thought of how this could be checked, if it ~~is~~ is affecting your business like that, naturally it must be something you have given your mind to.

A Well, it has all to do with the price. If you can give us a satisfactory price there is not any doubt in the world but what a man will get longer work. Our markets will extend. So long as you keep the price of coal where it is now our markets are going to go the other way.

Q That could only apply in the steam coal field?

THE UNIVERSITY OF CHICAGO
OFFICE OF THE DEAN
CHICAGO, ILLINOIS

Very respectfully,
The University of Chicago

THE UNIVERSITY OF CHICAGO
OFFICE OF THE DEAN

Very respectfully,
The University of Chicago

And, as I say, there is always a big difference on the ground.

Very respectfully,
The University of Chicago

Very respectfully,
The University of Chicago

Yes, I do; for instance, you go to work and stand - I suppose

we have spent thousands of dollars on our modern equipment

being; you go to work and you work up the machine for the

particular coal. The next year comes along and a machine is

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A No, that applies in the domestic.

Q We have had other witnesses on the stand who say that the range of market is limited because of the season and seasonal employment.

A Yes, but you must remember that we have got a big territory right immediately south of us. I refer now to North Dakota, that is, the northern part of North Dakota, where there are a million people and where there is a big freight haul from the docks. It is a thing, of course, which cannot be advertised too widely for the simply reason that I suppose if we got in there in any quantity, unless in a quiet way, we would immediately have an embargo put on; that is the way the Americans do that; all power to them.

THE CHAIRMAN: Well, what amount of concession in price would be necessary for you to have?

A A dollar a ton.

Q If you had it a dollar a ton less -

A A dollar a ton plus your corresponding reduction in the freight rates. At the present time, to get into North Dakota, you have not got a through rate, you have a rate to the boundary and then a local rate on. That is on account of the Great Northern having mines on their own lines, but if we got our freight rates down and the price of our coal down, there is a certainty we could get a certain portion of the coal into that territory.

Q Well, the Great Northern rate would have to come down as well as our railway rate?

A I don't think you would get the Great Northern rate down.

no, that applies in the domestic.

scope of market is limited because of the restricted resources

right immediately north of us. I rather say to North Dakota,

but is, the northern part of North Dakota, where there are

a million people and where there is a big market for the

get in there is a market. Unless it is a market, it is not

immediately have an interest but not that in the way of

AN: Well, what amount of consideration is also needed to carry

for you to have?

if you had it a dollar a ton less -

a dollar a ton gives you corresponding reduction in the market

At the present time, we are in the hands of the market

any one who is enough to, you have a sale to the boundary

and you are in the hands of the market

Q It would have to come all off our rate?

A All off our rate.

COMMISSIONER WHEATLEY: Are you aware they have been producing coal in North Dakota for 2.10 a ton?

A Yes.

Q If price is a factor it would be a hard job to get in there, would it not?

A Oh, we can still get in there; we have got a better class of coal than there.

Q Quality is a factor, too?

A Oh, yes.

THE CHAIRMAN: Have you got any figures?

A Well, I haven't any figures because we have been out of it for two years, lost track of it.

Q It is your opinion that with a dollar a ton less - what coal would it take?

A It would take our Drumheller coal and Lethbridge, speaking of domestic coal.

Q What potential market is there there?

A Well, along the northern towns in North Dakota you have a million people. Now, that was a figure which was given me two years ago. I have never checked up to find out just how true that is but there certainly is a wonderful opportunity down there.

Q That was a dollar a ton less than present prices?

A Then your present prices plus your reduction in your freight rates.

Q How much?

A Well, that would be hard to say; I am really talking more

more generally than from information received recently.

Q Would you be able to get the prevailing prices there and then -

A Yes, I think I could get it probably next week for you.

Q And indicate the amount of reduction in freight and the amount of reduction in price.

A Yes, I think I could get that for you.

Q I think it would be ~~become~~ important for us to know that.

COMMISSIONER WHEATLEY: Speaking of the quality of coal taking a preference - just how much preference does our bituminous get over, we will say, Edmonton or Drumheller or sub-bituminous?

A What do you call sub-bituminous, the Drumheller?

Q Saunders Creek.

A Well, Saunders Creek has a restricted output, anyway. Your output for 1923 was only about 68,000 tons; that is really no factor on the market.

Q Take the Foothills.

A I don't know much about the Foothills coal.

Q The same quality of coal?

A Yes, the same quality of coal; I think they ~~would~~ have been troubled with preparation at times rather than quality.

Q The Foothills, too?

A Yes, I think it has been a question of preparation with them.

THE CHAIRMAN: What do you mean by that?

A Well, I don't think their coal has been prepared as well as it might have been.

Q In what way?

A I suppose more slack in it than what there should be. This

and generally than from information received recently.

Yes, I think I could get that for you.

I think it would be very important for us to know that.

Yes, I think I could get that for you.

over, we will be, I think, in a position to do so.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

Yes, I think I could get that for you.

last year there has been a wonderful improvement, though, in the Foothills coal; it is really now competing with Saunders coal and that is more particularly in the Manitoba market; you get very little Saunders Creek coal or Foothills coal used in Alberta. It is too high priced.

COMMISSIONER WHEATLEY: That is the reason I say in North Dakota the fact that they can get coal there at \$2. a ton is going to be a factor?

A Yes, but they haven't got coals equal in service. You could compare probably the Souris and Drumheller in the same class as practically Drumheller and North Dakota coals; North Dakota may be, if anything, a little better.

Q Would there be \$5. a ton difference?

A- Well, I can't say that.

Q What is practically what it amounts to with freight compared with ours and their freight.

A Drumheller coal/^{is} laid down in North Dakota to-day around \$9. or \$9.25 a ton.

THE CHAIRMAN: What do you mean by laid down?

A F.O.B. the point in car lots, that is a figure I will have to verify for you.

Q As far as that particular market is concerned, if you would find the coal that is now being used, the price at which it is sold, and the price at which ^{our coal} would have to sell to compete?

A Yes, I will do that.

Q And what that means in the way of freight rate and price f.o.b. the mine.

A I will try to get you that.

Q If you could work that out?

A Yes.

Q Now, to go back to the Province of Saskatchewan. I started out dealing with each particular market ;where would you say they got their coal from?

A Alberta.

Q To what extent?

A Oh, of course, you leave steam coal out of this?

Q I am meaning all kinds of coal. Take it under each head, under the head of steam coal, where do they get their coal?

A Alberta and Souris, a lot of coal comes into southern Saskatchewan from Souris for steam plants, that is from the Crowsnest, Coalspur and from Souris. Souris comes into Moose Jaw, for instance, the mills there and the Regina power plant uses practically Souris coal exclusively now, that is, in the steam coal.

Q Have you any idea of the relative proportion of those shipments into Saskatchewan?

A No, I have not.

COMMISSIONER WHEATLEY: Is that not lignite coal for steam purposes?

A Lignite for steam purposes, yes.

THE CHAIRMAN:

Q Well, what would be necessary to have us take that market away from Souris?

A I don't think you could do it; their plants are equipped now to burn that class of coal; the coal lays down at - I suppose they can buy mine run at 1.75 at the mine plus about \$2. freight to Moose Jaw or 3.75 or \$4. at the most.

Q And the best you could do against that is what?

A The best we can do against that is 7.65.

Q For what coal?

A For a regular grade of steam coal from the Crowsnest.

Q1 And wouldn't they prefer the steam coal at double the price?

A Not with the present equipment.

Q What do you think the relation is between Souris and Hillcrest?

A That is something I can't tell you.

Q If you were going down to try to sell the power plant at Moose Jaw you would have to give them some figure on that?

A Well, the power plant at Moose Jaw does not burn Souris but at Regina they do.

Q Well, what?

A Well, I don't know just what basis you would tackle them on.

Q I should think you would say, I have got an article that costs so much --

A Well, we might go and try to sell them Souris coal.

Q Oh, you sell Souris coal?

A Yes, we have a connection down there.

Q Central and Northern Saskatchewan?

A They are confined a good deal to Drumheller slack coal for steam purposes.

Q What does Saskatchewan burn for domestic use?

A Oh, I would say practically 90 per cent. of Alberta coal.

Q And the other 10 per cent.?

A Souris; there is very little hard coal comes into Saskatchewan.

Q Any chance of getting that 10 per cent. away from the Souris?

A No, that is right in the south east corner of Saskatchewan.

Q So far as Saskatchewan is concerned you don't hold out any

The best we can do against that is 7.50.

That's right.

For a regular grade of steel and then the 3000 series.

And wouldn't they prefer the steel cost at double the price?

Yes, but the 3000 series.

What do you think the relation is between costs and 11-1-

11-1-

That is something I can't tell you.

If you were going down to try to sell the power plant?

Because I'm not going to give them some thing on that?

Well, the power plant at house 100 does not have a 1000

at Regina they do.

That's right.

Well, I don't know just what house you would be selling there on.

I would think you would be, I don't know what the house is.

no much - -

Well, we might be and try to sell them (house 100).

Yes, you will have to try.

Yes, we have a connection down there.

That's all right, I'm not sure.

That's all right, I'm not sure, I'm not sure.

That's all right.

That's all right, I'm not sure.

That's all right, I'm not sure.

That's all right, I'm not sure.

That's all right, I'm not sure.

That's all right, I'm not sure.

That's all right, I'm not sure.

That's all right, I'm not sure.

hope of increasing the market for Alberta coal?

A Only by population.

Q Only by growth of population and growth of consumption

Well, there is no contentious ground there,, no ground to fight on?

A No.

Q You heard the discussion this morning about the Manitoba market?

A Yes; there is very little I can add to that because I think Mr. Saunders gave a very good idea of just what that market is. We have no steam coal business in Manitoba to-day outside of, I suppose, the last contract which the railway gave.

Q And, from your experience, and knowledge of the business, then, you agree with what Mr. Saunders said?

A Absolutely.

Q It makes the evidence of two witnesses instead of one, really.

A Yes,

Q Do you handle any coal in the territory west of here?

A Yes, into B. C.

Q What can you tell us about the B. C. market?

A I think the total imports into B. C. of Alberta coals in 1923 was around about sixty-five to sixty-seven thousand tons. That is capable of expansion.

Q For what kind of coal?

A For mostly our lignite coals.

Q And where would that market ~~then~~ be in British Columbia?

A Practically all the way to Vancouver.

Q. Now, I am going to ask you to read the letter to the editor of the

San Francisco Chronicle, dated June 10, 1934.

A. Yes, I will read it to you.

Q. Now, I am going to ask you to read the letter to the editor of the

San Francisco Chronicle, dated June 10, 1934.

A. Yes.

Q. Now, I am going to ask you to read the letter to the editor of the

San Francisco Chronicle, dated June 10, 1934.

A. Yes; there is a very little I can add to that because I

was not, as you say, a very good friend of the man who was

Q. Now, I am going to ask you to read the letter to the editor of the

San Francisco Chronicle, dated June 10, 1934.

A. Yes, I will read it to you.

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San Francisco Chronicle, dated June 10, 1934.

A. Yes, I will read it to you.

Q On the C. P. R. and - ?

A Yes, on the C. P. main line and on the Canadian National west of Edmonton.

Q Well, would you ship lignite coals west past the mountain coals, to that market?

A Oh, yes; there are only certain coals which you can ship, of course, at present, that is, over the Canadian National on account of the freight rate. We have a favourable location, for instance, Pembina, and we are able to compete in points as far west as Prince George and even into Prince Rupert.

Q What are you competing with?

A Competing with the Island coals.

Q Have you any idea of the size of that market that might be gone after?

A Oh, I'd say it is capable of expansion to 150,000 tons, probably, we will say, give you an increase of 100,000 tons. There, again, it is price that is going to make the market.

Q What change from present prices would be necessary to secure that?

A It is hard to say, Mr. Evans, going west, because you have a strong competitor in the Island coals.

Q Have you studied the Prince Rupert market, for instance, say?

A No, the Prince Rupert market is not exceptionally heavy.

Q Prince George? *the price of coal in Vancouver is 10-10-10?*

A It is just an ordinary sized town that we can get into; you cannot increase the market in the interior along the Canadian National; we have that now.

Q Oh, you have Prince George market?

On the C. F. R. and -

Yes, on the C. F. R. line and on the Canadian National line

at Montreal.

Well, would you ship lights could keep the lights

light, or that is, I

Oh, yes; there are only certain goods which you can ship, of

course, by railway. But, I think, you can ship a lot of goods

by water, as the freight rates are very low, and you can ship

the goods, I think, and you can ship goods in bulk

by water, and you can ship goods in bulk

and you can ship goods in bulk

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A We have that now.

Q Where is the first point where you meet competition?

A Possibly around about Ashcroft.

Q What I would like to get is the same kind of thing we had in the Winnipeg market this morning - the competing coal sells for so much, that the grade of Alberta coal you are dealing with would have to be sold in competition at so much, that the freight rate is so much, the price at the mine so much, and that such-and-such a thing is necessary. Have you made such a study?

A No, we have only just recently ^{opened up} ~~market~~ in Vancouver; we have an office there.

Q You are trying to sell in Vancouver city itself?

A Yes.

COMMISSIONER WHEATLEY: How is the competition from the Nicola Valley district?

A Oh, I don't know sufficient about that.

Q Do they not ship to Ashcroft?

A Possibly they do.

Q They have pretty much the same condition as we have in our domestic field, a seasonal trade?

A Yes; of course, if you ever get a Vancouver market you have got a twelve months' market, or if you get into Seattle.

THE CHAIRMAN: Do you know the price of coal in Vancouver to-day?

A No, the prices have changed this last three weeks and I cannot tell you what they are.

Q Will you be getting those prices in the near future?

A Yes, we will have them pretty soon.

Q Now, that's right.

A That is the first thing that I noticed.

Q Now, you noticed that first?

A That I would like to be in the same line of work as you.

Q And you would like to be in the same line of work as you?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

A That the freight rate is so much, the price of the other no.

Q Now, you would like to be in the same line of work as you?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

A On office there.

Q You are trying to sell in Vancouver city, is that?

A Yes.

Q Now, you are trying to sell in Vancouver city, is that?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

A Yes, I would like to be in the same line of work as you.

Q Now, you would like to be in the same line of work as you?

COMMISSIONER DRINNAN: Why do you say Vancouver is a twelve months market?

A On account of the dampness, wet weather.

Q Haven't they any summer there?

A I have yet to meet anybody that ever goes out there/^{who says}that they have; the fact is you have practically got to keep your fires going twelve months of the year.

THE CHAIRMAN: Will you have the figures?

A I will get you those, yes, Vancouver and North Dakota.

Q Turning to the states to the south, what about that?

A In Spokane and Seattle and around there, well, that has been open to us. I will get you the data on that as well. See, this last fall we were able to make no shipments into that territory at all; we did not start to work until 23rd of October, and the Canadian market/⁻⁻⁻naturally we had to look after the trade here, and we had to let that go; so just what the prices are we have not studied at all this winter because we were not able to get in. I don't think there has been very much change in the prices of the Utah and Wyoming coals from the previous season.

Q It would be very useful if you could obtain for us the total possible market, the coal now supplying it, the price of that coal. This is the kind of thing you would get up other years.

A Yes.

Q The price ~~of~~ that/^{our}coal ~~now~~ would command in competition and how you can get it there at that price?

A Yes, I will get you all that before the commission ends.

going twelve months of the year.

WAINMAN: Will you have the kindness

A I will get you those, yes, Vancouver and the others.

...to the station to the north, about about

In the same and north and around there, well, that was

been open to me. I will get you the same on that side.

See, this last fall we were able to make no collection in

that territory at all; we did not have to go out there at all.

together, and the Canadian market, especially we had to look

after the trade here, and we had to let that go; so you

that there is no we have not been able to get all this winter

because we were not able to get in. I don't think there was

any more than that in the winter of the last year, and

will have to get that winter.

...in the winter of the last year, and

will have to get that winter.

...in the winter of the last year, and

will have to get that winter.

...

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...

Q For those outside markets. Have you anything to do with the sales of coal to railways?

A No, very little.

COMMISSIONER WHEATLEY: You have a considerable number of branches, I see. Just what saving do you consider this to be, having branches in so many various points as this?

A There is no saving; it is not done for the question of saving; it is done for the question of getting business, having centres to which the orders can come and from which you can do your canvassing.

Q It appears to me the centralizing you can bring about at these various branch points mentioned here should make for better trade and lower prices.

A Well, you take - Mr. Saunders gave this morning the average commission on coal is 28¢ a ton, practically; I should not say that, I may qualify it this way. On 50 per cent. of the coal your average commission is 28¢ and on the other 50% the average is 22¢. Now, cut off 15¢ a ton; what is that going to mean to a man to put in coal in July and August? Will, you tear up your garden for 15¢ a ton? If you would say to us, we will take 50,000 tons of coal from you in the month of July and August we will give you 10¢ off.

Q Can you not contract for a larger contract of coal and distribute to these various branches better than if you had one branch, for example?

A I don't quite get the ~~point~~ point.

Q By having, we will say, half a dozen branches, you can go to a man and contract for a larger output than you could if you

had only a branch in Calgary, for example?

A Oh, I suppose that is right. The idea of the company at all is service. That has really very little bearing on your contracts. We contract for certain tonnage; we want a certain tonnage in a year; we have got to establish, according to our ideas, offices in certain locations where a man can send his orders there the quickest or 'phone the quickest and at the least expense and, remember, those are only sub-offices; they don't do any ordering direct; all the orders come through Calgary; they are simply there for the purpose of getting business.

Q Yes, but they are sources which you can utilize?

A We do utilize them.

Q Mr. Evans showed you some prices on that questionnaire to the contract trade?

A Yes.

Q As compared with your own, could you not ^{get} nearer to that contract price by having a number of branches and agencies?

A Are you talking now about sheds?

A No, I am talking about the purchasing of coal at the mine and you having so many branches and so many points of distribution, can you not buy cheaper than an individual?

A Oh, we buy all the coal they produce.

Q You do?

A At the present time those coals are exclusive coals; we sell those coals exclusively and sell the whole of their outputs outside of what coal they deliver to the railway.

Q Then, let me ask the question in another way: They give you the coals at a lower rate than they would to several?

... I suppose that is right. The idea of the company is
... We contract for certain lengths; we want a
... in a year; we have not to be satisfied, even
... offices in certain locations where we can
... and his orders there the distance or phone the distance
... and at the least expense and, moreover, there are only a few
... they don't do any ordering direct; all the orders
... they are already there for the purpose
... of getting business.

You, but they are sources which you can utilize?
We do utilize them.

Mr. Evans showed you some prices on these transactions?
The contract traded?

... price by having a number of branches and specialists
... talking now about what
... of talking about the possibility of doing business
... as they are now organized and as they would be
... the way they are now organized and as they would be
... of the way they are now organized and as they would be

... the way they are now organized and as they would be
... the way they are now organized and as they would be
... the way they are now organized and as they would be
... the way they are now organized and as they would be

A They cannot give anybody else the coals because we have them on contract.

THE CHAIRMAN: You speak of a commission. Do you buy the coal and then resell it?

A No, we act on a commission basis; the price is there less the commission.

Q But who guarantees the payment?

A Oh, that is our risk.

Q Well, then, you are really purchasing, aren't you?

A You can put it that way, I suppose. The contract reads that the price is the prevailing price at the majority of mines in the district and your commission is so much. You are responsible to pay the mines on certain days in the month and you assume all the credit risk. I don't know just what you call that.

Q You divided your coal; you said on 50% the average commission was 28¢ and on the other 50 it was 22.

A Yes, I suppose that would bring the average 25¢ a ton.

Q Exactly 25¢, ~~is that right?~~

A Yes.

Q In what way is that 50% divided, if a fair question, by individual mines or by character of coal?

A Well, some of our contracts read different to others; we get more commission on some than others.

Q And for that 25¢ a ton you pay all the disbursements and guarantee the account?

A And guarantee the account.

Q In that respect you are really doing for these ^{particular} mines what

...the agent of a commission for the day and coal and

...the agent of a commission for the day and coal and

Well, then, you are really protesting, aren't you?

Yes can put it that way, I suppose. The agent and coal

that the price is the prevailing price of the market in

mines in the district and your commission is so much. You

are responsible to pay the mines on certain days: the

month and you assume all the credit risk. I don't know

what you call that.

Commission was 28% and on the other 50 it was 32.

...the agent of a commission for the day and coal and

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...the agent of a commission for the day and coal and

...the agent of a commission for the day and coal and

a selling pool might do for them, as far as ^{finding} leaving them a market?

A Yes.

Q There have been some suggestions of a pool arrangement for all mines in a field. I take it that yours might be termed a pool of selected mines from different fields?

A Yes, I suppose you could do that; well, you couldn't hardly term it a pool.

Q It is a combined selling effort?

A It is a combined selling effort, yes.

Q What would your judgment be of the effectiveness of a pool of the mines all in one district as against this combined selling effort of mines in different districts?

A It isn't worth anything at all.

Q Why not?

A- Well, I suppose in a pool, say in Drumheller, you might take in twelve mines, or twelve mines wanted to come in, and the mine makes an arrangement on the capacity output or there is a market for so much coal and it is allotted that way. What is the incentive for that mine owner to make more efficient work, to increase his market, and perhaps be able to give a lower price? Your pool really is more a restraint of trade than a help to trade.

^{Enlarging on that,}
Q ~~Notwithstanding all that~~%, just explain what you mean.

A You are cutting out your competition, in the first place, you will save nothing on your wholesale, or perhaps, we will say, you save 10%. 10% is not going to get you your increase

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a selling pool might be for them, as they are selling them

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in the market. One class of coal is better than another; you have got mines on the upper seam, you have got mines on the lower seam in Drumheller and one coal is worth more than

another. ^{Now, the} ~~He~~/man who has got the better class of coal, what is he going to gain by putting his coal in with somebody who cannot sell the coal?

Q Could you conceive of a pool of similar coals?

COMMISSIONER WHEATLEY: Of the upper seams, for example?

A Well, you can't pool the upper seam now because there is only two upper seam mines.

Q Well, a pool of the lower seam?

A No, because your lower seam varies; after all, you must not forget your public. Your public is the big factor in your market. Mr. Man says he wants a certain class of coal and he wants it bright and shiny; another man says, I don't want that kind of coal, I want a grey coal. One man likes one kind and another likes another. You are an elevator man in the country or a line company man, as we call them, you are taking in grain and the lumberman, on the other hand, is selling his lumber. He probably has half a dozen teams or, in the case of the elevator, perhaps forty teams waiting. A man wants a load of coal. He says. There are the bins, go out and help yourself. The fellow comes back and says, Well, you haven't got such-and-such a grade of coal. Now, he hasn't the time, with forty teams waiting, to argue the relative values of coal. Neither does he know them.

Q For that reason I think it is much better the system we refer to similar to what you establish yourself?

PLEASE REWIND TO LOC. 116W

A Ah, yes, well - -

THE CHAIRMAN: It is the reverse.

COMMISSIONER WHEATLEY: Just a moment; I contend instead of every coal operator trying to be a coal seller too he would turn that business over to someone that specialized on the selling of coal.

A Not on a pool basis; on a straight selling basis, all right, if you can confine your Drumheller, we will say, to five organizations - don't think I picked that out, that is just at random - five organizations, and, for instance, if I am handling Hy-grade and Midland coals, now, then, I am canvassing for those two coals. When Hy-grade is out of orders it is out of orders but Midland might be running, and vice-versa. There is no pool arrangement; there you are selling those coals in competition to each other.

Q For that reason, if you had a pool you would pool sufficient interests to have a variety that would suit the various calls on the trade and when there was an order for a particular grade of coal then people being in the selling business would know what source to draw from to fill that order.

A Yes but that is not the pool; you are talking now more along Souris lines, as I understand the Souris pool.

Q That is a pool.

A Well, you should get away from the pool idea. The Souris pool is based on the output and they take, I suppose, the year's figures before and they apportion that according to your output. But you cannot work that in Drumheller.

Q The operators seem to think they can.

A Well, you haven't worked it in Souris yet. You are restricting trade rather than helping trade. I will say this, that I don't believe in having thirty companies going out canvassing for Drumheller coal because that simply is a waste of energy.

Q It is what is taking place.

A But I don't say confine it to one and don't do it on the pool idea; do it on the straight competitive idea, that is, each coal selling in competition - if I have got six kinds of coal -

THE CHAIRMAN: How can you do it on the straight competitive idea without each mine doing it?

A How do you mean?

Q You say they should go on a straight competitive basis. How can that be done if each coal is - -

A- Well, for instance, there are probably five dealers, we will say, in a fair-sized town, take Humboldt, Saskatchewan, for instance. there are six dealers there. Well, if we have got three Drumheller coals on the list we can sell three dealers, sell them a different grade of coal. They are going to sell coal anyway, whether they sell our coal or somebody else's coal.

Q But there are thirty mines, we will say, selling Drumheller coal and there is a town with six dealers; what are you going to do about it?

A Twenty-four of them don't sell any coal; they have got to go on to the next town; there are too many mines, that is admitted.

COMMISSIONER WHEATLEY: There are just as many dealers from one town to another?

A Yes, just as many dealers.

Q If it is felt in the over-development of mines it reflects itself also in the case of dealers.

A Your dealer is practically a condition of lack of work, for instance, I suppose in 1914-15, you would not have the number of dealers you have in a town to-day, because there would be perhaps fairly steady work for a teamster during the winter. Now, you get into the big cities, and this applies principally to the big cities, and a man who has a horse and wagon in the winter thinks, I have nothing else to do, I will go into the coal business, -but you have got all that stuff in the Campbell report, which gives you practically very fully the ideas of what a retail dealer ~~man~~ is, but I believe in amalgamation. Now, if you would talk along the lines of amalgamation of mines, perhaps you will accomplish something. When you talk of pooling, that is, I have got a mine and you have got a mine; mine has a capacity of 50,000 and yours 50,000, and I will give you some part of that coal, it is not a satisfactory arrangement, it is not a competitive arrangement.

COMMISSIONER WHEATLEY: Each of those mines get sales for a given amount for the year; could they not use that as a base and come in in ratio to the production?

A Yes, but if I have got any ambition at all I am hopeful to increase that.

Q So you would have some specialist on sales to widen your market?

A And if you had only one pool you would not increase it; if you have got one pool you have only one selling organization; I don't believe in having only one selling organization.

Q That is what you have established in your own case?

A We have established in our own case but we don't control the situation. We are in competition with forty wholesale companies.

Q Would it not be much better if you had full control of the whole thing?

A For us, certainly, but I don't say it would be better for the trade. We will be tickled to death if anybody wants to put us in that position, to take it.

Q I am sure it would be better for the consumer or anybody else considered,

A No, it wouldn't, not from a selling standpoint, because I tell you our total commission is 25% a ton on the average, as Mr. Saunders said this morning, give them the whole 25%, it does not mean anything in the selling price.

Q Do you mean you would not get out and further your sales because you have the whole thing?

A No, but talk^{ing} on the ways and means to get a reduction on the price of coal, your total commission is 25% a ton.

A reduction of 25% is not going to put you into the Ontario, into North Dakota or any other market; give them the whole commission; it is not going to help the mine, even, because

you are simply taking the tonnage, for instance, you take the tonnage of Drumheller for the year 1924 was 668,000 tons. All right, you are going to work and you have got one selling organization, you are going to pool that coal on that basis, that selling organization is not going to do the same work as though there were three, you have got no competition, you cut out your competition and you are cutting out your initiative.

Q Well, the reason for most of these pools today or the amalgamation that you even suggest is to eliminate competition, which is destroying us; it is this competition within the industry as a whole that has brought this over-development, and that is part of the things this commission has been brought into being to look into.

A You and I cannot change social conditions of the world today. Our life is based on competition and you cannot single out the coal industry and say, here, take that off the competitive basis just to please the miner, when your other commodities are sold on a competitive basis. I have got to buy clothes; why don't you take clothes out and put them on the same basis. Why single out coal? If you will change your social system all the way through on everything, all well and good, but I cannot do that.

Q This very competitive base with these tremendous competitive costs is preventing us from even widening our markets?

A Yes, but start at the root, don't start at the end.

Q Which do you term the root?

A I term the root, right at the mine, take the man on the

you are already taking the business, the industry, you are
the manager of business but for the year 1914 and 1915
some. All right, you are going to work and you have got
one selling organization, you are going to have that one
on that basis, that selling organization is not going to be
the same work as though there were three, you have got to
competition, you get out your competition and you are
getting out your competition.

Mr. A. The question is, what is the result of the
competition that you even suggest is to be expected?
tion, which is destroying it; it is this competition which
the industry as a whole that has brought about the
ment, and that is part of the thing this competition has
brought about.

A. You and I cannot change social conditions in the world
day. Our life is based on competition and our society is
out the coal industry and say, here, sell that coal the
competitive world. It is the same in the coal industry.
commodities are sold on a competitive basis. I have got to
and I have got to sell my coal and I have got to sell my
the coal industry. The coal industry is the only industry
which is based on competition. It is the only industry
which is based on competition. It is the only industry
which is based on competition.

Mr. A. The question is, what is the result of the
competition that you even suggest is to be expected?
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ment, and that is part of the thing this competition has
brought about.

road gang; the Government sets the rate 40¢ an hour, we will say, 3.20; a man doing the same class of work at the mine, why should he get 5.60? I wouldn't say the 3.20 is right, neither will I say the other way, but why the difference, the big spread?

Q If all men could get the rate you suggest for outside you would have no coal miners; it is as easy to go and make them work on the streets; you would have great difficulty in getting men to man your mines.

A We will take a chance on that.

Q Well, you just watch from now on how these men will desert the mines at \$4. a day.

A We are willing to take a chance.

THE CHAIRMAN: Well, Mr. Brockbank, the point I was trying to get at a little while ago is this, your individual travelling salesman going from town to town has an assortment of coals to sell?

A Yes.

Q If a pool was made of all Drumheller coals and they had a salesman on the road and he travelled from town to town which of those two men would be employed the most efficiently, that is, how much business would each of them do with his time? Would you expect - do you get my meaning?

A Yes. / ^{Q.} You mentioned the town of Wainwright, I think - supposing each of those two men went into Wainwright and was there between trains, which could do the most business?

A Our man.

Q Why?

good thing; the Government asks the rate 40, and now, we
will say, 5.50; a man doing the same amount of work as the
mine, why should he get 5.50? I wouldn't say the 5.50 is
right, neither will I say the other way, but why the difference?

Q. Now, the first question.

If all men could get the rate you suggest for outside men
would have no coal miners; it is as easy to go and mine

in getting men to man your mine.

We will take a chance on that.

the mine at 5. a day.

A. We are willing to take a chance.

Q. Now, Mr. Brockbank, the point I now wish to get at

a little while ago is this: your industrial revolution

businessmen going from town to town has an element of coal

to sell?

Yes.

Q. A pool was made of all the industrial coal and they had a

monopoly in the coal business and they had a

monopoly in the coal business and they had a

monopoly in the coal business and they had a

monopoly in the coal business and they had a

monopoly in the coal business and they had a

monopoly in the coal business and they had a

monopoly in the coal business and they had a

A Because when he gets into that town he has got to put up a competitive talk against 25 or 27 coals in Drumheller; if you have one man selling Drumheller coal only what is he in competition with? Of course, he is in competition with other districts but what is he in competition with in the same district?

Q Does that town take anything off this list except Drumheller coal?

A Oh, yes, it takes Edmonton coals and Pembina.

Q Isn't that an answer, perhaps? Wouldn't that man be able to sell each dealer according to his preference the kind of coal he likes?

A Yes, but on your pool arrangement you cannot sell according to your preference.

Q No, that is the point I am trying to get you to make. It is in my mind and I was trying to get it from you.

A No, you cannot sell according to preference on a pool arrangement.

Q That is what I thought myself, a pool traveller going into a town with only the one kind of coal on his pool can only sell those who would take that kind of coal and I thought that your traveller could sell the man that wanted it, Pembina, Clover Bar, Drumheller coal or Luscar coal or whatever he wanted?

A Yes.

Q See, I have suggested the answer to you now and you would not give it to me.

COMMISSIONER WHEATLEY: I tried to suggest to Mr. Brockbank we wanted

this system of his applied to our pool arrangement?

A Leave out your pool.

THE CHAIRMAN: It is the pooling of a selection of mines of each kind of coal.

COMMISSIONER WHEATLEY: Could the whole of the province be put under some central agency to advantage?

A No, not through one central agency.

Q You seem bound on keeping that competition?

A Absolutely, because, you take in the elevator business, an elevator company hates to go into a town alone; they would sooner have the competition; mind you, they don't want six elevators but they would like to have two or three; they have the competitive elements then and the farmer is better satisfied and I think it is the same thing with your dealer.

THE CHAIRMAN: What is going to happen under the pooling system of wheat, then?

A Oh, that is something you and I will talk over privately.

Q We have nothing to do with it, anyway.

A But I will say this, that I don't think there is anything to say that the industry is in an awful shape. It is capable of improvement and that improvement can come about by prices. The public demand a price; they demand a price in everything else and they have a reason to demand a price on coal. ~~which~~ They are paying far too much for their coal to-day. We have - for instance, you take with our own organization, we tried to get the dealers to store coal. Well, there is no incentive to store coal in the month of May. We had a campaign on in, I think, 1920, a government campaign, when everybody

this system of his applied to our feet arrangement?

A. I don't know.

Q. Now, if it is the intention of the Government to have the

same system of feet arrangement

as the Government has now, will it be the same as the

under some central agency to administer?

A. No, not through one central agency.

Q. You seem bound on keeping that competition?

A. Certainly, because the fact is the Government

elevator company has to go into a town and

sooner have the competition; and you, they don't want six

elevators but they would like to have two or three; they

would like to have three or four; they would like to have

five or six; they would like to have seven or eight; they

would like to have nine or ten; they would like to have

eleven or twelve; they would like to have thirteen or

fourteen or fifteen; they would like to have sixteen or

seventeen or eighteen; they would like to have nineteen or

twenty or twenty-one; they would like to have twenty-two or

twenty-three or twenty-four; they would like to have twenty-five or

twenty-six or twenty-seven; they would like to have twenty-eight or

twenty-nine or thirty; they would like to have thirty-one or

thirty-two or thirty-three; they would like to have thirty-four or

thirty-five or thirty-six; they would like to have thirty-seven or

thirty-eight or thirty-nine; they would like to have forty or

forty-one or forty-two; they would like to have forty-three or

forty-four or forty-five; they would like to have forty-six or

forty-seven or forty-eight; they would like to have forty-nine or

fifty or fifty-one; they would like to have fifty-two or

was urged to put in coal. I really think it did more harm than good. We certainly had a wonderful output that year but people got coal in and they got into the habit of buying on credit. There is the curse of your business, your credit. You go to a man and you want to sell him a car of coal. What terms? Well, we will give it on thirty days. He goes to work and he wants his customers to take it; they say, Well, we can't pay you for it; so Mr. Dealer is stuck until fall. He also stalls off either the wholesale or the mine, whichever agency he is buying from, and something happens in the fall whereby one of them is taken sick. There goes your car of coal. For every car of coal you lose, that is, if you lose an account through a bad debt on one car of coal you have got to sell, as a wholesaler, 600 tons more before you have made up that one car of coal. So that, you see, there is an awful big risk in this business. But we have certain reliable dealers who will take some coal and I give them a lot of credit for the way in which they handle their business. They, if anyone, have helped the mines more than - at least, they have helped the mines more than anybody.

Q You say if you lose a car of coal you have to sell 600 tons?

A Well, you see, 600 tons at 25¢ a ton is \$150.; that is the average price of a car of coal, freight collect.

Q The other man has paid the freight?

A He pays freight, yes.

Q Now, what have you got to say about the cost of retailing coal? There is no doubt but there is nothing the public generally is so sceptical on as the spread in the retailers' hands.

...to put in coal. I really think it is a very
... We certainly had a quantity of coal that was
... and they got coal in and they got into the habit of
... There is the source of your business, and
... credit. You go to a man and you want to sell him a lot of
... Well, we will give it on thirty days. He
... goes to work and he wants his money to come in; then
... Well, we can't pay you for it; no, no. He is a
... He also sells off either the whole or the part
... whichever agency he is buying from, and something like
... the fall whereby one of them is taken along. There
... For every car of coal you load, that is, if you
... lose an account through a bad debt on one car of coal,
... have got to sell, as a wholesaler, 600 tons more before you
... have made up that one car of coal. So that, you see, there
... is an awful big risk in this business. But we have certain
... lot of credit for the way in which they handle their business.

Do you think there is any way in which that cost could be reduced?

A No, sir, not to any appreciable extent.

Q If you could cut the number of dealers in a town in half wouldn't the ones who are left do it cheaper?

A Well, of course, the more coal you handle the cheaper you can handle it but, for instance, in the City of Winnipeg, provided I have got storage and provided I have got scales and teams, who is going to tell me that I cannot sell coal?

Q Well, I am asking you if you have any suggestions.

A I don't see, Mr. Evans, how you can do it.

Q Well, put a hypothetical case: If it is a fact that the retailing is uneconomical because of dilution of the business it would be in the interests of the mines, provided they could, in some way, secure a more concentrated retail delivery?

A Well, you have got to carry a stock of coal because our days change so quickly and our transportation falls down during the severe weather, as it must do, that you have got to carry practically a five day stock of coal in the winter. Now, if you are selling 150 tons a day that means your stock of coal, practically you have got to carry 750 tons. When you shed that coal your expense starts. You have got your degradation, in the first place; when that coal is unloaded it has got to drop; no matter what it drops on to it is going to break. That breakage makes your degradation. Then the public demand that you shall pick that coal up with forks. You pick it up and you have disposed of a car of coal, you have got $2\frac{1}{2}$ tons of slack, very small coal.

If you could cut the number of deaths in a town in half
wouldn't the ones who are left do it cheerfully?

Well, of course, the more coal you handle the easier you
handle it but, for instance, in the City of Chicago, where

Well, I am asking you if you have any suggestions.
I don't see, Mr. Evans, how you can do it.

Well, put a hypothetical case: If it is a fact that the
interest in coal is increasing, wouldn't they coal

Well, you have got to carry a stock of coal because our days
are getting shorter and the temperature is getting lower

practically a five day stock of coal in the winter. Now, if
you are willing to handle the coal and the coal is getting

increasingly more and more so every year, wouldn't it be
wise to have a stock of coal? The more coal you have, the

the more you can handle it. The more coal you have, the
the more you can handle it. The more coal you have, the

the more you can handle it. The more coal you have, the

Q Is that an average figure?

A Yes, I would say that is an average figure. Mind you, that is not all slack but that is stuff that has gone through the fork and it is through no fault of the mine. If you are retailing your coal in Winnipeg, as they are, take this is Drumheller at 12.50, you get for that nut slack 4.50 a ton. These are actual figures. You can see the loss through degradation.

Q Let us work that out. Is that on a 30 ton car?

A Say 33 tons.

Q Your loss is \$20., isn't it?

A Yes.

Q \$8. on -

A About 60¢ a ton. To give you a contra example to that, if you can unload that coal direct from the car, I don't think your degradation is more than 500 lbs., that is, if a man handles his coal properly, because he can shovel a lot, whereas the other way he has to fork. Then, in picking up that coal, you have got to have your men - those men are paid, possibly, I suppose, at the rate of 40 or 50¢ an hour and they work ten hours a day. That is seasonal occupation also but there is an added expense to your coal. Then you have got your taxes because, just in the same way as the government taxes the mines, so do the cities tax the retailer. You have a business tax; for instance, in this town you have a business tax and a tax on your property and it is very difficult to say that you can handle coal, including the delivery, or the cost of handling it is under 2.50 a ton.

Q Well, I don't suppose you can really give us any more than just an outsider's view on those things.

A Well, I will give you some real figures; I will tell you the example of the winter of 1923. We all supposed that in Winnipeg they had severe winters and around about the 10th October we started shipping coal to Winnipeg. We put in practically in the City of Winnipeg amongst the dealers 10,000 tons of coal. The winter did not come until the February of 1924. Now, a lot of that coal was stored out in the open and we had as high as 35% degradation in that coal down there, simply through being out in the sun; it was just like summer weather.

Q That was Drumheller coal?

A No, that was all kinds of coal, not necessarily Drumheller, because any of our coals will slack in the open air. Supposing the pool had been handling that. The pool naturally wants to start the same time as though you were selling in competition; they would have put that same coal in there; the dealers would have had the same degradation and where the dealers in that year lost anything from five to ten thousand dollars apiece, and where, we will say, the next season they make that, where is your excessive margin in handling coal? It is the dealer who takes a chance, not the consumer, not the mine.

COMMISSIONER WHEATLEY: Isn't there a possibility of it being under one fixed head, it will be so regulated to avoid -

A You cannot avoid degradation.

Q You will avoid possible losses?

...I have been told that the ...
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A If you store coal you cannot.

Q You would make a science of the selling in such a manner that you would not be compelled to take these losses.

A So long as you have weather that changes in twenty-four hours, well, we will say, from 40 above to 40 below, or perhaps that is an extreme example, but, anyway, where the weather changes, just so long will you have to carry a big stock of coal. When you carry that stock of coal you have got your expense with it.

Q It occurs to me that a proper selling agency would not put such a thing on the market where such a loss would apply because if it applies to the dealer it must also apply to the consumer?

A No, it doesn't apply to the consumer; the consumer deals with the retailer, who uses forks.

Q You don't get my point. I meant to say, possibly a man would have that coal for three months in his bin, it would degrade there, also in equal ratio as to what it had done for the dealers?

A Yes.

Q I think some proper central selling agency would see to it that this coal was kept off the market, both for the consumer's sake and his own?

A But your idea is to extend working hours, not to restrict the working hours. If you can start to ship coal to Winnipeg on the 15th November and ship it in sufficient quantity until the 15th day of February and get an even distribution, you won't have to shed anything, but you have got only three months' operation.

Q Wouldn't that be better in a case like that to draw on our sub-bituminous coals in that weather and avoid the extreme degradation? Would a scientific selling agency not draw on all agencies of that kind to -

A No, because you sell a man the coal he wants; he doesn't want sub-bituminous coal.

Q Would you not be doing him a greater justice by showing him he would lose less in this class of coal than if he had taken one that degraded -

A Well, if you change your market over to all sub-bituminous you will have exactly the same trouble.

Q For the summer season, I say?

A There is no coal sold in the summer season in Winnipeg.

Q That is the season when the degrading is the most effective?

A They burn wood.

Q Instead of losing \$10,000. on an order by degradation of coal, would that not equally apply to the consumer after he got it in his bin?

A No.

Q He would lose his ratio, too, by keeping it around; he possibly kept that coal for three months.

A If he keeps it in his basement we don't care but if you store it in the open - there is very little degradation in the basement to any extent but if you store it in the open. Degradation is only made by unloading the coal.

Q It looks to me as if we were handicapped by marketing that class of coal at certain periods of the year.

A Oh, yes, but not in your basement.

Q Wouldn't that be better in a case like that to have an oral
deposition? Would a scientific witness agree not to do an
oral deposition in that case?
A Yes, because you call a man the coal he wants; he doesn't
want any-bituminous coal.
Q Wouldn't you be taking him a question? You're not taking him
he would lose in this class of coal that he has
Q Yes; one that degraded -
A Well, if you change your market over to all anti-bituminous
you will have exactly the same trouble.
Q For the summer season, I say?
A There is no coal sold in the summer season in England.
Q That is the season when the degrading is the most effective?
A Yes, that is true.
Q Instead of losing \$10,000, on an order by degrading of
coal, would that not equally apply to the summer after
he got it in his bin?
A Yes.
Q He would lose \$10,000, but he would not lose the coal; he
would only lose the coal he had bought.
Q Is it true that he would not lose the coal he had bought?
A Yes, it is true - that is, if he had bought the coal.
Q Is the summer the best season for the coal he had bought?
A Yes, because he would not lose the coal he had bought.
Q The summer is the best season for the coal he had bought?
A Yes, because he would not lose the coal he had bought.
Q There is no coal sold in the summer season in England?
A Yes, that is true.

Q Everybody has not got a basement.

A No, I know; well, if they haven't got a basement they cannot buy their coal. They are foolish to.

THE CHAIRMAN: Have you any specific points of complaint about Alberta coal, any remedies to suggest? Anything that we might recommend, ^{that} you have come across in your experience?

A No, the quality of the Alberta coal this last two years especially has been really very good. The only complaint that there is is the price. That price is made up of both the cost at the mine and the freight rate. You get the price down; we will extend your market.

Q What about railway weights?

A Well, that, of course, is always a sore point. Really, the question is not as big a one as what it is made out to be at times. The mine doesn't believe the dealer and the dealer doesn't believe the mine.

Q And neither believes the railways?

A Neither believes the railways, so there you are.

Q But you don't think that is much of a factor?

A No, I think that is a thing which will remedy itself in competition. By that, I mean that the railways - at least, the coal companies, ~~have~~ if they get any serious number of complaints, a man is going to stop taking that coal; he will buy from somebody else, although he will probably get the same kind of weights although he might be a little more fortunate.

Q Do you think there is anything in the retarding of cars?

A That certainly is a very important factor. The mines that

anybody has not got a passport.

A: No, I know; well, if they haven't got a passport they cannot buy

Q: Have you any specific points of complaint about the

coal, any remarks to suggest? In fact, that we might know

A: No, the quality of the Albita coal this last two years

especially has been really very good. The only complaint

that there is in the mine. That price is not as good

the cost at the mine and the freight cost. You can see that

down; we will extend your remarks.

Q: Well, that, of course, is always a matter of fact. The

question is not as to one or the other but as to the

at them. The mine doesn't believe the demand and the

Q: And neither believes the railroad?

A: Neither believes the railroad, so there, on that.

Q: But you don't think that is much of a trouble?

A: No, I think that is a thing which will remedy itself.

have got a scale, there is no complaint on; the complaint comes where the railway do the weighing. I think you will find that is the case in 90 per cent. of the cases.

Q Do you know how often they tare?

A Well, I notice that they are doing an awful lot of retaring right now because I came through Red Deer recently and I saw more retared cars that day than I have ever seen in my life.

Q Have you any idea what change---

A No, I know you can get anything in a retared car from 200 to 2200 lbs., that would mean actual test this winter, this thing has been tested.

Q Should there be a seasonal tare, a summer tare and a winter tare?

A Well, I don't know sufficient about the variation of wood.

COMMISSIONER DRINMAN: There is an allowance made for winter and summer?

A You get an allowance of 500 lbs. on a car, I think, anyway, but your trouble is this, where the car has been wrecked and repaired, unless they get that car retared before it gets back to the mine, that is where your difference in weight comes.

THE CHAIRMAN: Speaking generally, have you any comment to make on the coal dealers? There was a suggestion made that one of the difficulties was lack of qualification of the dealers who deal in coal, thinking it required no skilled knowledge. Have you any comment to make on the dealers?

A Your dealer trade is really made up of points having a population of around perhaps 300 people. Now, that man won't

have got a scale, there is no complaint on the complaint
comes where the railway to the weighing. I think you will
find that in the case is 30 per cent. of the cases.

Do you know how much you have?

Well, I would say that the thing is not very much.

That is all right, I think you will find it so.

Now more returned cars that day than I have ever seen in my

life.

Have you any idea what happened?

No, I know you can get anything in a railroad car.

200 to 2500 lbs., that would mean about 100 to 150 tons.

This thing has been tested.

Should there be a seasonal rate, a summer rate and a winter

rate?

Well, I don't know anything about the variation of wood.

DEBILITATION: There is an allowance made for winter and summer.

The way we measure it is by the weight of the wood.

The way we measure it is by the weight of the wood.

Well, I don't know anything about the variation of wood.

back to the mine, that is where your difference in weight

comes in.

THE CHIEF: I don't know anything about the variation of wood.

Well, I don't know anything about the variation of wood.

back to the mine, that is where your difference in weight

comes in.

THE CHIEF: I don't know anything about the variation of wood.

back to the mine, that is where your difference in weight

handle any more than, we will say, twenty cars a year.

What skilled knowledge does he require to handle 600 tons?

Q That is through the country?

A That is through the country; that is the bulk of your trade.

Q That is the bulk of your trade?

A That is the bulk of your trade, the country dealer; it is not your city business.

Q That is because you have not got the Winnipeg market?

A Well, even with that, there are 4000 coal sheds in the country.

Q In the Provinces of -

A Alberta, Saskatchewan and Manitoba, so you can see, I suppose by working that out, you could really figure out, if you averaged - I'd have to work that out; I was going to say, if you averaged ten cars a shed, you could see how much business of that three million tons goes to the country.

Q That is only 1,200,000.

A Well, then, I am out in my figures.

Q What about the range in prices of the same grade of coal disturbing the market? We heard a good deal of that in Edmonton, dealing specifically with the Winnipeg market.

A Oh, I see what you mean. Drumheller coal, on the same day there was being advertised from 9.60 to 12.50. There is no doubt it has got some effect, for the reason that the man who sells at 9.60 is not going to lose any money on that price.

Q What does he do, then?

A I don't know, but he isn't losing any money, whether he

... knowledge from the ...

That is the ...

That is the bulk of your trade?

That is the bulk of your trade, the country dealer; it is

That is because you have not got the Winnipeg market

well, even with that, there are 4000 coal sheds in the

is the business of -

... Saskatchewan and Manitoba, as you can see, I

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... the ...

... there was ...

... doubt is ...

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gives 1500 lbs. to the ton or 2000lbs. to the ton, I don't know. In Mr. Campbell's report he says he is satisfied he gets 2000 lbs. to the ton. At the same time, he had one man under investigation there whose sales were supposed to amount to 3000 tons, of which he could show car records of about 1200 tons. He was asked where he bought the other 1800 tons from; he said he picked it up around town. Whether he bought some cars of Souris and mixed them up, I don't know. It is a great place for mixing, is Winnipeg.

Q Can you suggest any remedy for a price variation of that kind?

A No, it will always exist. because your remedy is practically your control of mines; if you can restrict operation of your mines you naturally will cut down the number of places where these fellows can go and pick up some cheap coal.

Q I would like to have on record just what is meant by distress coal.

A Distress coal is coal which is shipped down at a time when the dealers have a stock on the off chance that the weather will change; it does not change and it is on track there; it has got to be sold, otherwise the railway take it, and it has got to be sold at any kind of price. It is shipped down in seasons when it should not be shipped. It is what we call consignment coal.

Q And that is shipped by a mine without an order, then?

A It is shipped by a mine without an order, shipped on speculation, ^{just} in order to keep those mines going.

Q I suppose you have no record as to how ^{often} ~~first~~ it works out all right?

1800 lbs to the end of the year.

It is known. In the year 1800, a report was made to the

British Government that the number of sheep in the

had one man under investigation there whose name was

amounted to about 2000 tons, of which he could give one

of about 1800 tons. He was asked what he could

he other 1800 tons from; he said he picked it up from

town. Whether he bought some sort of wool and sold that

or, I don't know. It is a great deal of wool, I think

Can you suggest any remedy for a better condition of the sheep?

No, it will always exist because your wool is so

much of it is so much of it is so much of it is so

much of it is so much of it is so much of it is so

these fellows can go and pick up some of the wool.

I shall take it to the Government and see what they will do

about it.

It is a great deal of wool which is picked up from the

the Government have a right to it and the Government have a

will change; it does not change and it is a great deal of

it has got to be sold, otherwise the wool will be lost, and

it is a great deal of wool which is picked up from the

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A I have always disputed the question of laying so much stress on distress coal because any time that I have been in Winnipeg - and Winnipeg is really the big market where you are liable to get that - I have not seen an awful lot of it. I suppose if you took a hundred cars in a year that would be the total amount of distress coal which goes on the Winnipeg market.

Q Doesn't it have quite a disturbing effect on the - -

A It is bound to. You have got another disturbing effect in Winnipeg to-day. You have got the Hudson's Bay Company which has opened up a retail branch, which puts on bargain sales on Friday. Now, if you can afford to handle coal at 9.75 on Friday, why can't you on Saturday?

Q What price are they selling at?

A Oh, I don't know; they have just really started this thing; I have not followed it sufficiently.

Q I would like to get some information on that point. Probably Mr. Pratt will be able to tell us.

A Yes, he can tell you about that.

Q But they are selling cheaper?

A On bargain days.

COMMISSIONER WHEATLEY: Where do they buy from?

A I couldn't tell you.

Q That is a new feature.

A Yes, we are getting down to a fine state when we have got to start and give bargain days; if the miner will give the bargain days along with us, we won't mind.

Q If you can find out how we can live without having to have

Mr. Pratt will be able to tell us.

money it might be done.

THE CHAIRMAN: Well, aside from the question of lower prices, have you any other suggestions to make?

A No, I don't know that I have; I think the business is operated on the proper basis, that is, a competitive basis, and, after all, as far as the mined are concerned, if that coal is sold at \$9. or \$14., what do they care as long as they get their market, I suppose the cheaper they can sell it the more market then can look for.

Q What about the poor public?

A I don't know whether the commission is here to consider the public.

Q Absolutely. No merry games between the miners of Alberta to the neglect of the public.

Q I think, as far as Mr. Saunders said this morning, as far as the dealer is concerned, he will do his part; the wholesaler can't do much, perhaps if he did 10¢ that is the most. The operator will do something and if the miner will do his, you will get your markets, but if you don't, well, they will become more restricted every year.

COMMISSIONER WHEATLEY: There is a point. It is costing from 2.50 to 2.85 to distribute this coal that we produce?

A Yes, sir.

Q We miners are producing it from 50 to 70¢ a ton, and it has been sold at the mine all the way from \$3. to \$4. per ton. Then, comparisons seem to show too wide a margin for the distribution, when we come to consider the number of dealers there are, we figure there is some adjustment to be made there.

QUESTIONS

Q. Now, when you say that the market is not a good one, what do you mean by that?

A. I mean that the market is not a good one for the miner.

Q. What do you mean by that?

A. I mean that the market is not a good one for the miner. It is not a good one for the miner because the miner is not getting a fair price for his coal. The coal is sold at \$9. or \$14., what do they care for the coal? and, after all, as far as the mine is concerned, it is not operated on the proper basis, that is, a competitive basis.

Q. If the more market then you look for?

A. What about the poor public?

Q. I don't know whether the commission is here to consider the

public.

A. Absolutely. The money comes between the mine and the

to the neglect of the public.

Q. I think, as you say, the money is not a good one for the

public. It is a bad one for the public. It is a bad one for the

public. It is a bad one for the public. It is a bad one for the

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Q. If the more market then you look for?

As far as I see it, you people have got the right idea; you contract with certain mines for a certain amount of coal; you get the market; as sellers you are able to do far better business than the one that goes in with a commodity of one mine.

A Yes.

Q You have various coals. If you cannot suit the consumer with one coal you have various other coals to satisfy him with.

A Yes.

Q What we would like to see, and I think what the public as a whole would like to see, is something of the same character enlarged.

A Yes.

Q I rather thought that you would have encouraged that being on a wider scale than what you are already working.

A Well, but you have got to creep before you walk; we are only three years old; it is a new company.

THE CHAIRMAN: Anything else you have to offer us?

A No, I don't know of anything else.

Q Thank you very much indeed.

THE CHAIRMAN: Is there anyone else?

MR. SAUNDERS: Mr. Commissioner, if you would like a little information about another part of the market?

THE CHAIRMAN: Please.

coal; you got the market; as well as you were able to do
far better business than the one that goes in with a coal
company of any kind.

You have various coals. If you cannot sell the coal
with one coal you have various other coals to sell; it
will.

What we would like to see, and I think that the public as
a whole would like to see, is something of the kind of
business.

I rather thought that you would have encouraged that before
a wider coal than what you are already working.
Well, but you have got to start before you can; we are
only three years old; it is a new company.

At a time of such a kind of business.

It is a time of such a kind of business.

At a time of such a kind of business.

It is a time of such a kind of business.

G E O R G E B . S A U N D E R S ,

Being recalled, testified as follows:

I was down in Minneapolis about three or four weeks ago and I had occasion to have a conversation with a purchasing agent of a line elevator company that has a line of elevators in Northern Montana. Perhaps you have had some evidence on this point; I don't want to take up your time if you have?

THE CHAIRMAN: No, we have not.

A Well, anyway, I think it would be about 1911 I made several trips down through Montana and at that time Lethbridge coal sold down there, I would say, almost to the extent of 100,000 tons. I may be a little wrong in that figure just at that year.

Q That is about -- ?

A 1910 or '11, but, at least at one time, there was about 100,000 tons of Alberta coal sold down there. That came about under this condition. The railroad running down from Lethbridge to the boundary, connecting with the Great Northern, was a privately owned road. They had then a combination freight rate or a through freight rate which, I think, speaking from memory, -- these figures can be verified -- would put Lethbridge coal into Great Falls for 2.50 a ton.

Q 2.50 freight?

A Yes, sir. Under these conditions Lethbridge coal sold ~~for~~ very freely in that market and Drumheller coal could have been sold as well but they were not mining coal in those days. Now, shortly after that the C.P.R. took over the Alberta Railway & Irrigation Company and they found this condition,

that incoming freight was coming west by American roads to the southern boundary and was coming into Lethbridge and that district over the Alberta and Irrigation Company and there was a through rate on incoming freight as well as on coal going south. The C.P.R. wanted that tonnage; they wanted that long haul on their own road, so, in order to get that they discontinued the combination rate on incoming freight and as a move of retaliation the Great Northern cancelled the through freight rate on coal going south. So, in selling coal down there we were then faced with paying a rate of somewhere in the neighborhood of \$4. a ton to Great Falls rather than 2.50. Since that time there has been very little coal sold down there.

COMMISSIONER IRINMAN: There is no joint tariff now?

A No joint tariff at the present time. That always seemed to me a condition that should be gotten over in some way. It seemed to me to be a most very selfish situation, a little quarrel between railroads that was not of interest to the general public. I was discussing that with this purchasing agent and he said they liked Lethbridge coal down there, liked Alberta coal; they would be very glad to handle it if it could be sold to the public at a price -

Q This is Great Falls?

A No, they operate, I think, 28 elevators handling coal along the Great Northern railway from Shelby east to Havre. There is about 28 points there. The tonnage that one company handles there is about 4000 tons a year, domestic coal. He was quite interested in this freight proposition and could

that incoming freight was coming west by another route
to the southern boundary and was coming into the
and there was a through rate as incoming freight
as on coal going south. The O.R. wanted that through
they wanted that long haul on their own road, and in order
to get that they discontinued the combination rate on the
ing freight and as a move of retaliation the Great Northern
in selling coal down there we were then faced with paying
a rate of somewhere in the neighborhood of \$1.00 a ton for
Kells rather than \$2.50. Since that time there has been
and I think that was the end of it.

RICHMAN: There is no joint tariff now?
No joint tariff at the present time. That situation related to
me a condition that should be gotten over in some way. It
seemed to me to be a most very selfish situation. I think
quarrel between railroads that was not of interest to me
general public. I was discussing that with this gentleman
and he said that was the situation and that was the
that situation would be very much to the disadvantage of
it is hard to say by the public and industry.
and in that situation
and the situation was such that the railroads were in a
and the Great Northern was in a position that it was
and the situation was such that the railroads were in a
and the situation was such that the railroads were in a
and the situation was such that the railroads were in a

see no reason why that joint freight rate could not again be put into force and, if so, would be very glad to handle Alberta coal down there.

COMMISSIONER WHEATLEY: Have you got the prices of the present coal?

A Yes, sir; he gave me prices of the coal which they are handling. The coal they handle most of is called Bear Creek which comes from south-western Montana, and they also handle some Wyoming coal. The price of Bear Creek, that is, 6" lump at the mine is 4.50, 2½" lump 4.25, 2½ by 6" egg \$4. There is some prices of small coals which do not matter very much. Now, taking a representative point there, called Chester, Montana, which is one of their best points, it is about the centre of this line of elevators - the freight from Bear Creek into Chester is 4.16. Now, if we had that old joint freight rate down there-I believe that this could be looked up in more detail -- I believe our freight rate into Chester would be less than that. The cost at the mine could be very well brought into line with those figures and I am sure, from my experience down there, I have sold coal in competition with these southwestern Montana and Wyoming coals, I am sure the Alberta coal would get the preference.

COMMISSIONER DRINNAN: Over Bear Creek?

A Yes, sir.

Q What about the Wyoming?

A Well, the Wyoming - they are very much of the same nature; they are good domestic coals but I have never considered them equal to some of our best Alberta domestic.

COMMISSIONER WHEATLEY: Just a point there, Mr. Saunders, at Bear Creek they pay wages to their mines of seven dollars and ~~47.89~~ eight to nine cents per day. In Alberta the steam coal field pays 5.45. There is 2.44 a day higher they pay down there than we pay our men. When we have got down there it just means that we lower the standard of living of those people and they take their trade back again and we practically are in the same predicament as we were.

A Why should you compare a steam coal mine with a domestic mine? Is that the rates paid at Drumheller to-day you have quoted?

Q They are higher than that in Drumheller.

A That is what I thought.

Q They are 6.56.

A Yes, I think, from my information, that the rates paid are very much the same in both competitive fields.

Q No, that is not so; there has been a reduction last October that they have not received. 6.56 in our fields and the same computation pays the domestic fields, as against 7.89.

A Well, I suppose those conditions applied in the old days the same as they do now and we never considered that point. The fact remains we could send our coal down there to good advantage and sell it and the only thing that stopped that trade and prevents us now from doing the same thing is that little question of freight rate adjustments, which, to a common sense individual appears as being something which is not ~~quite~~ in the interests of the public at large and there should be some remedy for it.

THE CHAIRMAN: I suppose there is no control over those combination rates between two points?

A I don't know; I haven't gone into that very fully. It seems to me from the railway standpoint it is very selfish. Being down at Ottawa three years ago discussing these wider markets with the Government down there, Mr. Magrath has always taken a very deep interest in Alberta coal as Fuel Controller and he is very strongly of the opinion that Northern Montana and North Dakota offer the best opportunity for enlarging the trade from Alberta at the present time, he points out, in a geographical sense.

COMMISSIONER WHEATLEY: Yes, but they are producing very cheap coal there in spite of the fact they pay these high wages.

A It may be that they produce coal much cheaper than that. This same gentleman in Minneapolis told me the Sand Coulee coal in Montana, their freight to Chester is only 2.03 and the mine price is much cheaper but it is an inferior grade of coal and they only sold about ten cars in the entire year of that grade of coal; so there is a big question of quality comes in there. It pretty nearly follows as a rule, I don't know why, that quality and price seem to bear some relation to one another.

Q We are pretty much in the same predicament as they are. We are trying to reserve for ourself certain zones which we think are our natural markets; if we are going to have progress we must have people stay here on a living wage.

A Well, I would not feel any compunction for the people selling coal across the line because they have shown themselves

Q. I suppose there is no coal in the country?

A. No, there is no coal in the country.

Q. Is there any coal in the country?

A. No, there is no coal in the country.

Q. Is there any coal in the country?

A. No, there is no coal in the country.

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Q. Is there any coal in the country?

A. No, there is no coal in the country.

Q. Is there any coal in the country?

mighty able to take care of themselves, in fact, if we had one-half of the initiative they have, we would not be sitting here today worrying about the situation.

THE CHAIRMAN: If you could get them to keep their coal at home first.

MISSIONER WHEATIN: You admit that in addition to the initiative in marketing, the Americans still have the ambition "In God We Trust", which is the dollar, and they see to it that their men get high enough wages to maintain their families. In San Francisco they figure it is better to pay their men \$6. a day because men that are paid a decent standard living wage will be far better off and maintain a higher standard than these that are paid a much lower wage. That we are applying ourselves to a different system is possibly the reason we cannot get any more people into this country.

A Well, I would not go into the question of wages at all. The only thing I see, there is a market which offers splendid opportunities and that seems to be the only thing and that is not a question of wages that is keeping us out of there.

Q But I just wanted to draw to your attention ~~the~~ point that they pay 7.80 per day for their mines against our 5.45.

A Well, I have always looked on the question of wages as to how much money a miner has in the run of a year, that is the way I have always looked at it; I never concern myself so much with how much he gets a day.

Q THE CHAIRMAN: You have not any similar information about the North Dakota market?

A That would not come under the same - but I will say this,

when you get down there you run into some things there which we might take a lesson from. You will find state-owned institutions, public institutions and so on, are probably, well, restricted in their buying of coal; that is, you cannot very well sell ~~more~~ Canadian coal to a public institution there, whereas we up here have shown a tendency to even favor the American coal. I would like to see a little more of that. I think our own money that we pay taxes and are paying for it and there should be a little tendency, even by paying a little more, to buy our own coal. You will find a good deal of that over across the line.

COMMISSIONER WHARTLEY: In addition to that other deity that I mentioned.

THE CHAIRMAN: If you do come across any other information of that kind, it is very helpful as indicating the direction - -

A Well, this gentleman there was very greatly interested and said if there was any movement started he would be glad to assist us all he could because if they can get a better coal at the same price down there they are in the business to sell coal.

THE CHAIRMAN: If there is no one else we will adjourn until tomorrow morning at ten o'clock. We have some others arranged for at that time.

Adjourned until 10 o'clock A.M. tomorrow.

.....

10 o'clock A. M., Wednesday, May 13th, 1925.

WILLIAM INNES,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN:

THE WITNESS: Mr. Chairman, it is our understanding that you wish to get a little evidence as to how the cost of coal affects the manufacturers in Calgary. Being a fairly large user of coal, we considered it our duty to come before you and let you know what coal is costing us. We use approximately about - oh, from 25 to 35 tons of coal, that is slack coal, per day in our business, and I got our figures from our books showing what coal has been costing us, and I went back to 1922. These were the balmy days when we were getting coal rather cheap. Previous to that the prices were pretty much the same, namely, from 15 to 25¢ per ton for slack coal f.o.b. cars Drumheller.

Q What date is that?

A October, 1922. That is the Drumheller field, and previous to that, that was the prices that were prevailing right along. From that date prices began to jump. November they went from 30 to 50¢ per ton and so on right - - that is in 1922. Then during 1923 our costs were all the way from 35¢ per ton for pea slack coal, I am referring to in these figures -

Q Are your first figures pea slack also?

A Pea slack coal, yes. Of course, in 1922, '21 and previously, it was a very common thing to get nut slack along with the pea slack; they weren't very particular; they had to get rid

JOSEPH A. M., WASHINGTON, D.C., 1900.

of the coal; we understand that. As a matter of fact, in these days it was a very common thing to get cars of coal for nothing, due to the fact, as we all know, there was no market at that time for slack and it was cheaper to give the coal away rather than spend the money in dumping it and hauling it away at the mines. In 1923 we paid from 35 up to about 60¢ and 75¢ for pea slack coal.

Q Was that a regular progression up during 1923?

A No, I can give you the details.

Q Give us the dates.

A January from 25 to 50; February 40; March and April 85; May and June, we had nut slack, that was \$1.00.

Q Why did you have nut slack then, do you know?

A Couldn't get any pea slack, just at that time, during these months, and it may have been -- I just can't recollect that was the summer time and in these summer months it was a question of getting what you possibly could get.

Q The mine is not operating?

A Yes. It may have been some pea slack in that at a dollar a ton. I couldn't just go into detail without having to go through the records very, very closely; it may have been some pea slack even at a dollar and nut slack mixed. July and August 60¢ a ton; September, October, November and December, 35, 40 and 50¢ a ton. January, February and March, 1924, 60¢ a ton; April to July, \$1.00 a ton. That comes in the same as 1923 again; August 1.50. Now, there is another point where I don't know exactly whether that is all pea slack or nut slack. September, October, November and December

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market at that time for slack and it was easier to give
the coal away rather than spend the money in shipping it
and selling it away at the mine. In 1923 we sold slack at
about 60¢ and 75¢ for per slack coal.

No, I can give you the details.

Yes, in the 1920s.

Yes and then, we had not slack, that was 1900.

Did you have not slack then, do you mean?

Couldn't get any new slack, just at that time, that's

that was the summer time and in those summer months it was
a question of getting what you possibly could get.

The mine is not operating.

Yes, it was not operating and it was in 1900.

I don't know what year it was, but I know it was

in the 1920s, I don't know what year it was, but I know it was

in the 1920s, I don't know what year it was, but I know it was

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in the 1920s, I don't know what year it was, but I know it was

from 50¢ to 85¢. That finishes 1924. 1925, January to April, we have been paying from 60¢ to 1.25, that is for pea slack and nut slack and whatever we can get. That is our average price for this year. Now, going back to December for nut slack -

Q December of which year?

A December, 1922, we paid 1.75 for nut slack.

Q But you didn't - -

A I was referring to pea slack in my previous figures I gave you except in one or two isolated occasions. And January, February, March, April and May (1923) we paid from \$1.00 to \$1.75 for nut slack; then in June and July and August, 1.25, and apparently we did not have any nut slack in the balance of these months for 1923. In 1924, February and March, we got it for 1.25. Then we jumped from April to July to 1.75, August \$2.00; September, October, November and December, 1924, from \$1.00 to \$1.25, and, as I said, this year and I think possibly the last few months in 1924, we were see-sawing backwards and forwards, getting nut slack sometimes and pea slack, and some of the nut slack we would get was very much pea slack, but that is all in the method in which they supply the coal. Now, the point here is, as far as we can see it, as far as we understand the situation, that the slack market is something that ~~it~~ has probably come into its own. In other words, there is a demand for slack which did not exist previous to 1922. Consequently, there may or may not be a justification - - that is something, I understand for your board to look into -

William Innes

there may or may not be justification for these radical increases in price for this nut and slack prices. We have not got out any figures showing just what the effect is on our industry, having to pay these enhanced prices for the coal, but the figures themselves are evidence that it makes a serious inroad into our operating costs to have to pay from 25¢ a ton, as we did in 1922, up to \$1.00 a ton that we are paying to-day; that is about the average price for coal to-day we figure is from \$1.00 to \$1.10 per ton as compared with the maximum price of 25¢ per ton in 1922 and the previous years.

Q Where you have given us a range from 50 to 85¢, is that a range due to dealing with different mines or is it a range in price at the same mine?

A It is both, Mr. Chairman, it is a range in dealing with different mines because we have to, in other words - -

Q Just how do you go about placing your orders?

A For instance, we hitch up possibly with a certain mine; we take possibly two or three or four cars a week from them. Sometimes we will get threse three or four cars a week and other times we possibly don't.

Q- Well, have you a contract? Do you make a contract?

A Yes, we make one contract usually when we can with one mine; then we buy in the open market. Our experience has been that making a contract, as you probably notice from our figures, as compared with probably the City of Calgary, that we have figured our price for coal is less by the

method we adopt than making a flat contract at a given price, as I understand the price is a little bit higher than these figures right to-day. We take advantage of different mines, if they are producing a lot of lump coal, or rather stove coal, they have probably little slack available -

Q In detail, just how do you place your orders?

A We know all the mines and know all the dealers. We 'phone up - usually keep a week or two weeks ahead, probably two weeks ahead, and we have two cars coming from that mine and two from another at certain times; we have these cars ; as I say, we are two weeks ahead, with all these cars rolling in, and we find, in our enquiries, that a certain mine is a little long in slack, we will probably get it for 85¢. We will probably pay 85 from another mine at another time but we keep the average down just as low as we possibly can.

Q Well, the contract you make - how much do you contract for, ordinarily?

A Probably three cars a week.

Q From one mine?

A Yes, we can make a contract and we figure it out and figure that the price he is asking is low enough for to warrant us making a contract for a certain time, we do so.

Q And what does that contract read?

A Maybe one Monday, one Wednesday and one Friday.

Q Well, if the mine is not operating what would happen?

A There is the point, and I suppose if you ask a question I suppose I have got to reply as I find conditions. If you make a contract and the mine is not working naturally

they cannot produce the coal and you are out of luck, that has always been the experience.

Q Have you any instances where the contracts have not been kept and the mine was working?

A I don't know that we should - - Well, I would say no in the meantime.

Q I don't know what you mean by "in the meantime" exactly.

A Well, I would say no, just now.

Q The reason I ask that question is that it is quite a common complaint in United States that contracts are not kept and I was quite anxious to know whether that could be said on this side of the line.

COMMISSIONER DRINNAN: Do you actually make a contract or do you just place an order for three cars - -

A We ~~contract~~ make a contract, sir,

Q -- For a period of time?

A For a period of time.

Q How long?

A Oh, probably six months, it would be about the longest time I have ever made a contract.

Q You make it for a period of time, not for a set quantity of coal?

A A period of time and quantity, three cars a week; that is the only contract we have ever made. And this coal mine that we have made it with, during the past two years and a half, we make it periodically; when the time comes we figure that we can buy cheaper coal in the market, we set our contract to that time; when when we figure we can buy cheaper on the market, that contract has expired at that

time and we feel, probably if we can pay a higher price we renew that contract, but they have come through splendidly during the past two or three years.

Q Did you ever refuse delivery on any of that coal under the contract?

A No, sir. We are using coal all the time. As a matter of fact, if you go into that phase of it, a year ago we had a contract with a firm at 60¢ a ton and we were able to buy the same coal from a dealer at 50¢ a ton.

Q And what did you do?

A We took it up with them and we had our contract and he said, Of course, that was the contract price and we continued paying it, but the price went up a month or two after that to 85¢ a ton but he continued supplying us with the coal at 60¢ a ton. I want to make that clear, that there are matters --- Now, I have had experience back a number of years ago where the reverse occurred; ^{where they} ~~we~~ could get a higher price we did not get the coal.

Q Where was this experience you speak of?

A In Calgary. Of course, I wouldn't say ^{what mine it} ~~the mine~~ was but we have had both experiences, where the mine was actually shipping to other places and getting a higher price and they left us pretty well alone.

Q Have you any knowledge that practices like that obtain to-day?

A No, I couldn't say from my own experience. My experience is that, from this mine that I refer to, that we stayed with them when we actually bought coal at a lower price than we had made a contract for but the swing came around where we had

William Innes

to pay 85¢ a ton for the other three or four cars that we required and he still continued shipping us at the 60¢ a ton.

Q That is at it should be, I should think.

A Absolutely, and, of course, naturally we do quite a little business with that firm because we can rely on them and, as I say, my experience has been that it was very unusual.

Q To have the contract observed in that way?

A Of course, this is several years ago that we got a little bit handicapped, if I may use the term, in figuring on that contract, and the firm did not just exactly come through with it.

Q You mean it is unusual now?

A No, it was unusual then, when I went up against this experience I considered it very unusual, from my past experience, that he stayed right with it.

Q How far back is that past?

A Oh, probably two years ago.

Q And up till two years ago you have knowledge of occasions when contracts were not lived up to?

A Yes, sir.

Q I might just say in explanation that that was one of the general charges made against the American coal trade by the American Commission, that contracts were only observed when it suited both parties; the competition was so keen that the producers, on the one hand, or the consumers, on the other hand, did not take their legal remedies for breach of contract. I was interested to know whether any

to pay 50¢ a ton for the other than we took care to do so
required and he still continued shipping us at the 50¢ a
ton.

That is at it should be, I should think.

Absolutely, and, of course, naturally we do price a little
higher with that firm because we can rely on them and, as
I say, my experience has been that it was very unusual.

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Of course, this is several years ago that we got a little

contract, and the firm did not just exactly come through
with it.

You mean it is unusual now?

No, it was unusual then, when I went up against this

firm, that no stayed right with it.

Now for back in that year?

Yes, I think so.

Now for back in that year?

Yes, I think so.

Now for back in that year?

Yes, I think so.

Now for back in that year?

Yes, I think so.

Now for back in that year?

Yes, I think so.

Now for back in that year?

Yes, I think so.

Now for back in that year?

such practice obtained in this country.

A Of course, when I make that statement, I am not stating that the coal miners in general are doing that, because of the illustration I have given. The mine, possibly, that we were dealing with, as a matter of fact I don't know whether they are in existence to-day, I don't think so, because they are changing very often and we are buying coal very often from the small mines, and it is more or less natural for these small mines to make all they can while the going is good.

Q In spite of a contract?

A In spite of a contract. It is very, very bad business but in the old days there was not the same credence put on these things because they were in to get whatever killing they could get and get out and, as we all know, there is lots of mines gone in for a little while and got out.

It was bad business and, consequently, that was one of the reasons why we did not make a contract because we figured, what is the use, they will give us the coal when it suits them at the price, when it doesn't suit them we will go into the open market; and we have continued staying in the open market ever since. That is the reason why I don't make a contract, except with this one outfit. We tried them out and they stayed right with it and we continued making a contract; as a matter of fact, we haven't one to-day because they are not producing enough to stay with the contract.

Q I suppose there is no particular secret about who you have

such practice obtained in this country.

Of course, when I make that statement, I am not saying

that the only thing that has happened in this country is

of the illustration I have given. The mine, however,

that we were dealing with, an answer of about 100,000

tons of coal, and in the same way, I am not saying

no, because they are changing very often and we are

very much affected by the change in the market.

less natural for those small mines to make all their

while the going is good.

In the case of the

In spite of a contract. It is very, very bad business

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on these things because they were in no way whatever

that would not be the case. We are all aware of

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your contract with for coal with, these people you are giving a clear record to? Doesn't everyone know who you have a contract with?

A Well, we haven't got a contract.

Q No, but you had your last contract with? I mean, you have given them a clean record; it seems to me you might mention at least their names, to remove the imputation from them, if you see fit to do so?

A Yes, it was the High-Grade Coal Company, Mr. McConkey.

COMMISSIONER WHRATLEY: Well, with reference to these previous days when contracts were not observed to the extent that you say they are to-day, it could not have been as great a factor as it is to-day on account of your buying it as low as 15¢ a ton?

A That is quite true, sir; it did not make very much difference; the ^{variations} values weren't so great as they are to-day .

Q Since it has become a serious factor in your costs, contracts are more sacredly observed?

A I would say to-day that I don't think the mines to-day are doing the same practice they were in the old days. I am just talking from my experience and I have not heard of these things going on; but several years ago it was common knowledge that that is what they did do.

Q Well, several years ago when this commodity that you are buying at the present time was being dumped on the prairies and there were no markets for them, it could hardly be, as I say, a factor to refer to at this particular time?

your contract with the coal 444, there people you are

have a contract with?

Well, we haven't got a contract.

No, but you had your last contract with the coal, and you

given them a clean record; it seems to me you are

from them, if you are fit to do so.

Yes, it was the High-School Coal Company, and I believe

when contracts were not observed to the extent that

any they are to-day, it could not have been an error

factor as it is to-day on account of your trying to

low as they are.

That is not a very good thing, but it is not a very good thing

now, and you are not to-day, and they are to-day.

And it is not a very good thing to have a contract

I would say to-day that I don't think the thing to-day

and you are not to-day, and they are to-day.

And it is not a very good thing to have a contract

and you are not to-day, and they are to-day.

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and you are not to-day, and they are to-day.

And it is not a very good thing to have a contract

and you are not to-day, and they are to-day.

And it is not a very good thing to have a contract

A I didn't refer to it; I was asked the question by the Chairman; I didn't refer to it.

Q The sacredness of the contracts are maintained by these dealers that you are doing business with?

A We don't always deal with dealers; we deal with the mines direct, quite often.

Q And the mines, even, too?

A Well, I would say to-day that I firmly believe that any contracts entered into on both sides are lived up to.

THE CHAIRMAN: Well, now, Mr. Innes, there has been this increase in price and you say it is serious to you and you think that perhaps something should be done about it. Have you any idea what could be done about it?

A Of course, that ~~is~~ can be a very long story; I mean, it is a matter of opinion.

Q We want all opinions.

A Well, it is probably well known what the layman thinks about the coal situation; that is, there are far too many mines. There is too much overhead in connection with the mining of coal. It is thought by those of us who have to pay for the coal but don't know an awful lot about coal mining, possibly, that if some sort of amalgamation of the mines could be devised, whereby, instead of having a dozen more or less small mines, you had probably two or three mines operated under two or three big firms, that in that way you are bound to cut down your overhead costs and in that way cut down your costs of selling coal. There is no mistake about it, as far as we who are on

I think it is better to have the question of the

answer, I think it is better to have the question of the

The necessity of the contract was explained by the

delegates that you are doing business with the

we will always find with the delegates and they will be

always with the delegates

And the mines, even, too?

Well, I would not say that I am not a delegate

my statement would be that we are not a delegate

Well, now, Mr. Inman, there has been this invention

price and you say it is necessary to you and you think

that perhaps something should be done about it. Now you

any idea what could be done about it?

Mr. Inman, you say it is a very large thing, I think

is a matter of course

we want all opinions

Well, it is probably well known that the Inman Bill

is the coal situation; that is, there are two things

always. There is too much overhead in connection with the

cost of coal. It is known that there is too much

so the two things are the same thing, the cost of coal

being, possibly, that it is not an improvement in

the situation in the coal industry. I think it is

to have more of the same kind of thing, and to have more

of the same kind of thing, and to have more of the same

kind of thing, and to have more of the same kind of thing

kind of thing, and to have more of the same kind of thing

kind of thing, and to have more of the same kind of thing

kind of thing, and to have more of the same kind of thing

the outside are concerned, that we feel there is a great loss in mining coal under the present conditions.

Q For which you have to pay?

A For which, naturally, we have got to pay and we need not talk about further markets because that is so well recognized until, that that is one solution to it but, ~~naturally~~/I think they solve the actual conditions at the mines and cut out a lot of what we think is unnecessary overhead expenses they cannot get down to rock bottom. Of course, the shipping of it to other markets is the solution at the present time, so as to make some more of this slack coal, to make more of it available for local use and for outside use.

Q I suppose you have considered any possible substitute for your purposes?

A Yes, we have. I don't know that we are just in a position at the present time to say anything about it because the peculiar feature about it is that the company who are probably in a position to sell the stuff are burning coal themselves, that is the oil companies; they talk about selling oil for generating steam and heating but they continue to use coal themselves, so I cannot get at the bottom of it. Probably our superintendent engineer may know something about that end of it; I don't.

Q What price can you buy this oil coke, you call it, do you?

A No, just straight oil; it is used and driven in just the same as gas.

Q It is crude oil you are offered, is it?

the mine is a small one, that we feel there is a great loss

in mining coal under the present conditions.

For which you have to pay?

For which, naturally, we have got to pay and we have got

to talk about further matters because there is no real reason

that that is one reason to it but, naturally, I think

that there is a great loss in the mine and we

a lot of what we think is unnecessary overhead expense

they cannot get down to rock bottom. Of course, the mine

is in a very bad way, the condition of the mine is

no as to make some more of this black coal, to make more

of it available for local use and for outside use.

I suppose that the coal is not available in all

the country, but I think it is available in some

of the country, but I think it is available in some

of the country, but I think it is available in some

of the country, but I think it is available in some

of the country, but I think it is available in some

themselves, that is the oil companies; they talk about

oil, but they are not producing it, and they are not

producing it, and they are not producing it, and they are

not producing it, and they are not producing it, and they are

not producing it, and they are not producing it, and they are

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A Well, you are making a stab a little further than I want to go. We have not been actually offered it; we have been approached; we have got data and one thing and another. We have not been definitely approached to use oil. I don't think I was just exactly in a position at the present time to do so but they had their engineers around a little while ago and going into the details of it and it seemed to me, of course, something that they were figuring on, and I asked them the question as to why they were burning coal themselves but I got a very unsatisfactory answer. Then, of course, we have gas to think about.

Q What can you get gas for industrial purposes for?

A Oh, we cannot get gas at all; it is not allowed to be burned - although I understand a little of it is being used by ~~xx~~ certain concerns but it isn't universally allowed to be used for industrial purposes.

Q Any other source of supply in addition to what you have mentioned?

A I don't think we have. We have no other source of supply unless we do what one ~~xxxx~~ fairly large firm are doing to-day, they are burning sawdust very satisfactorily; they don't use a pound of coal.

Q Where do they get the sawdust?

A From the Alberta Box Company; they get all the sawdust they require and they maintain - they put in a certain equipment for the burning of the sawdust and they find it much more economical than coal.

Q What do they pay for the sawdust?

A I couldn't say; that information could be secured, no doubt, from either the manager of the Royal Crown Soap or by the Box Company, possibly.

COMMISSIONER DRINNAN: Does all your coal from Drumheller, Mr. Innes?

A No, sir. Oh, we tap around, get some from Big Valley, Wayne, Rosedale, Carbon .

Q You buy in the cheapest market?

A Yes, sir. At times we also take a little steam coal from the Crowsnest. We always keep an emergency supply of that coal to take care of any trouble that may ensue at the mines but we don't burn it as a commercial proposition.

COMMISSIONER WHEATLEY: What is your method of firing?

A Stokers.

Q Automatic?

A Yes, I would say that now because we have just changed over; we had been hand firing with two boilers and a stoker with the other two but we just changed over and we won't have any hand firing - well, we are not using any hand-firing boilers at the present time.

THE CHAIRMAN: What stoker are you using?

A Mr. Moody can tell you that better.

Q Anything else that, as a consumer of coal, you want to bring before us?

A I don't think so, Mr. Chairman; I just understood you would like to have one or two things.

Q We are very interested, indeed; we are very anxious to get this information.

A And, of course, naturally we are very anxious to keep costs

Q. Now, I want to ask you a question. When you say that the coal is not good, do you mean that it is not good for the purpose of the engine?

A. Yes, I mean that it is not good for the purpose of the engine.

Q. Now, you say that the coal is not good for the purpose of the engine.

A. Yes, I mean that it is not good for the purpose of the engine.

Q. Now, you say that the coal is not good for the purpose of the engine.

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Q. Now, you say that the coal is not good for the purpose of the engine.

A. Yes, I mean that it is not good for the purpose of the engine.

down in every possible way so as to enable us to carry on our business at the least possible expense and naturally, of course, we give that to the consumer.

KENNETH M O O D Y,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your position?

A Mechanical engineer.

Q With the - ?

A P. Burns Company.

Q You have heard what Mr. Innes has told us about the price he has been paying for coal?

A Yes, sir.

Q Have you noticed any variation in the quantity of this material from year to year?

A Yes, there is a good deal of variation; that is one of the objections.

Q Well, variation due to the source, I presume, is it?

A Partly, yes, perhaps chiefly due to the source.

Q Any other variation?

A Well, of course, variation in size usually carries a variation in quality, too.

Q In which direction, which is the better coal?

A Well, that depends a little on the equipment in which you are handling it. Most of the equipment will not handle the finer coal economically and that is a serious source of loss to the consumer. The ordinary equipment that was

designed some years ago for steam coal will not handle the coal dust economically; it just means that the consumer is paying freight on a lot of stuff that goes out with the ash.

Q But that is not so much the fault of the coal as the fault of the equipment?

A It is quite so, yes, it is the fault of the equipment; the equipment could be designed to handle this finer coal.

Q You have now adopted a certain equipment as a result of your experience, I presume, in the using of these particular coals?

A Yes.

Q Would you mind just telling us what that present equipment is?

A Our new equipment is the Type E. stoker built by the Vickers Combustion Engineering Corporation.

Q With that equipment do you notice any difference in the value of the - -

A It is not in service yet, sir. Our old stokers were the Babcock-Wilcox Chain Grates, one of the best stokers in their day, but they are not adapted for Drumheller slack.

COMMISSIONER WHEATLEY: This new type will handle a finer grade of slack?

A We expect it to.

THE CHAIRMAN: Have you ever considered powdering the coal?

A Yes, sir.

Q What did you decide on that?

A That our plant is not large enough to justify the cost. If we had been putting in a new plant of the same capacity it

it would have

...and the fact that the equipment is not...

...it is not a matter of fact; it is a matter of opinion; it is a matter of fact that the equipment is not...

...and that is not so much the fault of the equipment as it is the fault of the operator.

...of the equipment.

It is quite so, yes, it is the fault of the equipment; the...

...equipment could be designed to handle this kind of...

You have now adopted a certain equipment as a result of...

Your experience, I presume, in the case of these machines...

...less.

Would you mind just telling us what that proposed equipment is?

Our new equipment is the type B. model built up the...

...the type B. model built up the...

With that equipment do you notice any difference in the...

...the type B. model built up the...

It is not a matter of fact; it is a matter of opinion; it is a matter of fact that the equipment is not...

...the type B. model built up the...

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With that equipment do you notice any difference in the...

...the type B. model built up the...

would have probably been a powdered fuel plant but to change over the old plant of that capacity to handle powdered fuel would not have been justified by the results.

Q But, subject to that qualification, were you favorably inclined towards powdering?

A Oh, unquestionably, that is the coming thing, even for plants of moderate size.

Q What would the effect of that be on the price of finer grades of coal, probably?

A Well, you mean the smaller coals?

Q Yes.

A It would probably increase the price because then almost everything could be utilized.

Q From the coal producers' point of view, it would probably be an advantage?

A It would be an advantage all around.

COMMISSIONER WHRAITLEY: Have you seen experiments with Drumheller coal pulverized?

A I haven't seen them; I have some information from people who have conducted the experiments but I have not witnessed the experiments myself.

Q Would that coal alone be sufficient to carry on the stoking or would it need to be mixed with some other - -

A Drumheller coal would be very suitable.

Q Without any further mixture?

A Yes, sir.

THE CHAIRMAN: Could we have access to those who made those experiments? Are they people we will be seeing?

...and a general principle...

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Yes.

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...should be added.

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A I don't know whether you will see them. I will be very glad to refer you to the Vickers Combustion Engineering Corporation.

Q Have they a local agent?

A No, sir, but I know the Toronto office will be very glad to give you any information they may have. Mr. Taylor is the President of the Canadian Branch, headquarters in Toronto.

Q Have any of the Drumheller mine operators been interested in these experiments?

A I don't know, sir.

Q You don't know whether they got their coal to test?

A No.

Q That is quite an interesting development.

A We consider Drumheller coal a very suitable coal for industrial purposes but we also think that if it were graded and properly standardized it would be much more valuable to the consumer.

Q Well, what have you to suggest along that line?

A Better preparation at the mines.

Q In particular, in what way?

A Screening.

COMMISSIONER DRINNAN: You don't expect to get the best grade of coal for the lowest price?

A No, but it would be worth more to us; it would pay us to pay the mine or the dealer a higher rate.

Q You could get any grade of coal you wanted if you paid for it.

I don't know whether you will see them. I will be very
glad to refer you to the Victoria Convention concerning
protection.

My dear friend,
I am very glad to hear the Toronto office will be very kind
to give you any information they may have. Mr. Taylor is
the president of the Canadian Branch, and he is

very kind and will be glad to give you any information
he can.

I am very glad to hear you are well and hope you
will have a very successful trip.

I am very glad to hear you are well and hope you
will have a very successful trip.

I am very glad to hear you are well and hope you
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will have a very successful trip.

A No, sir, you cannot, not at present; at least, you might but you might have to pay more than it was worth. Most of the mines are not equipped to remove the dust from the slack.

Q- Some of them are.

A Some of them, undoubtedly.

THE CHAIRMAN: Well, now, just another point, what do you mean by better preparation of screening? What would you like to get?

A Well, for our purposes, I would like to have the dust taken out of the coal.

Q And what would they do with the dust?

A Probably dump it. If we could get coal, say, that has gone through a $3/4$ " screen -

Q Round or bar?

A Round perforation, and over a $3/16$ " perforation, that would take out a lot of the finer dust; that would give us a very desirable coal for stokers.

COMMISSIONER DRINNAN: I have no doubt you could get that coal from Drumheller but your Mr. Innes, he complains about the price. Now, if you want the best grade you pay the best price; that is the way you do in the meat business, isn't it?

A Yes.

Q Well, it should apply to the coal business, too.

A Well, it does, but possibly it would cost the mines - you see, when we get that dust mixed with the coal we pay freight on that

Q Yes.

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A - and it goes out with the ash, or a large percentage goes out with the ash.

THE CHAIRMAN: Why?

A Because the ordinary equipment won't handle it .

Q And what about your new equipment, do you expect it to handle it?

A I don't know yet; we expect it to do better but even with the new equipment, we would pay a higher price for a screened coal, perhaps not as high a price as the mines might ask; it might cost them more to screen it than we think it is worth to us.

Q You have no idea in quantity how much dust per ton - ?

A Well, that varies a good deal.

Q How many pounds per ton, would you guess?

A Oh, anyway - the coal we have been getting would run anywhere from 25 to 50 per cent.

COMMISSIONER DR INMAN: In buying your coal, Mr. Moody, do you have a specification? Do you state to the coal companies what kind of coal you want?

A No, sir.

Q Well, if you did so I have no doubt the coal companies would bid on your specifications to supply the coal you asked for.

A Well, that has not been our experience. We frequently have to take what we can get, you see, the mines are handicapped by the intermittent operation.

Q Oh, yes, you have got to put in stocks against interruptions of
~~any~~ of employment by strikes and accidents ~~and~~ different kinds.

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and it goes on with the old, or a brand new one.

That's the way it is.

Yes, that's the way it is.

Because the ordinary equipment won't hold it.

and what about your new equipment, as you expect it to

hold it?

I don't know yet; we expect it to do better than the old.

the new equipment, we would get a different kind of

equipment, perhaps not as high as the old one.

at all; it might even then have to be used in the

same way as the old one.

You have no idea in your mind how much you can

A. Well, that varies a good deal.

One may have a lot of it, and one may not.

It depends on the kind of equipment you have.

Some of it is used in the same way as the old one.

JOHN B. HANCOCK: In buying your coal, Mr. Hanco, do you use a

large piece of coal? Do you have to the coal companies when they

ask you for it?

Yes, they do.

Well, you don't use it in the same way as the old one.

It's a different kind of equipment, and it's used in a

different way.

Well, you don't use it in the same way as the old one.

It's a different kind of equipment, and it's used in a

different way.

Well, you don't use it in the same way as the old one.

It's a different kind of equipment, and it's used in a

different way.

A Yes; you see, the freight rate on our coal from Drumheller field is higher than the cost of coal at the mine.

THE CHAIRMAN: What is the freight rate?

A I don't just remember what it is.

MR. INNES: 1.70 a ton.

WITNESS: So at that freight rate, it would pay us to buy a screened coal, something that would all burn instead of being wasted.

Q Have you taken this up with any mine with the point of view of getting a better prepared product?

A Oh, yes, they simply say we are not equipped for that.

Q That dust would be satisfactory in a powdered coal plant, the powdering would be already done for you?

A The powdering would be already done.

Q Are there any powdering coal installations in Calgary that you know?

A No, sir, there is not; the nearest is in Winnipeg.

COMMISSIONER WHEATLEY: Very extensive there?

A Yes, I believe they have a fairly large plant there.

Q And what class of coal are they using?

A Well, I think they have used - I don't know just what they are using now; they have used the low grade Saskatchewan coal.

Q Pulverized?

A Yes, sir, I believe the results were quite satisfactory.

THE CHAIRMAN: Souris lignite?

A Yes.

Q Now, the receipt was on my own from that date.

A Yes, that's right. The receipt was on my own from that date.

Q Now, what is the receipt number?

A I don't just remember what it is.

Q Now, what is the receipt number?

A I don't just remember what it is. It would be on my own from that date.

Q Now, what is the receipt number?

A I don't just remember what it is.

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Q Now, what is the receipt number?

- Q Mr. Innes told us you stocked some coal. Did you ever try stocking Drumheller coal?
- A Oh, yes.
- Q Any difficulty in storing?
- A No.
- Q And why do you keep a stock of the steam coal against emergency?
- A Well, because there is no danger of, very little danger from spontaneous combustion and our storage space is rather limited.
- Q How much of it can you store?
- A Oh, about 200 tons conveniently.
- Q What type of storage have you got?
- A Outside storage.
- Q Just open air outside?
- A Open air storage yes. As a matter of fact, we have both steam coal and coal from the Drumheller field in stock now.
- Q How deep do you pile it on the ground?
- A Five or six feet.
- Q Do you take any precautions against spontaneous combustion?
- A No, just watch it.
- Q And you have had Drumheller coal stored in that way?
- A Yes, we have some in the yard now that has been stored for nearly a year.
- Q What would you say about its condition to-day?
- A It is very fair.
- Q If that is so, why don't you buy more of your coal at those cheaper seasons?
- A Because we haven't convenient storage and the rehandling

runs the cost up.

Q Have you ever made an estimate of the cost of rehandling?

A Well, as we are situated, it costs us about 50¢ a ton, sometimes a little more, from 50 to 75¢ a ton to rehandle.

Q Well, at the seasons of the year when Mr. Innes tells us you were buying coal at anywhere from 35 to 50¢ in 1923 and 50 to 85¢ in 1924, September to December, another 50¢ for rehandling would bring you up pretty well to the prices you have to pay?

A Yes, that is why we don't stock to any great quantity.

Q Could storage facilities be put in that would cut that down?

A Not very well, as we are situated.

Q I presume that would be an advantage to the mine and you, too, evening up the demand over the year?

A Oh, yes.

Q But your difficulty in storage is not anything that happens to the coal?

A Oh, no; the Imperial Oil has a large storage capacity but their plant is large enough to justify the equipment that will handle the coal very cheaply.

Q I wonder if we will be hearing from any of their men?

MR. INNES: The manager is out of town and they could not authorize anybody to come here.

Q Because that storage by the consumer is supposed to be one of the great remedies for our intermittent operation.

A MR. MOODY: It would help a great deal. I should not hesitate to recommend the storage of Drumheller coal if we were in a position to do so.

Q Have you made any calculations as to what that cost of

handling could be brought down to by other methods - -

A Not in our case because it is lack of room.

Q Do you know what it costs the Imperial Oil to handle it in and out of storage?

A No, not accurately, but I know the cost must be very low.

Q What would your estimate be, just as an estimate?

A Well, I don't like to give an estimate on a thing of that kind; I might be away off.

Q What is it done by, what is their method?

A A drag line bucket; one man operates the motor and he hauls the coal out and dumps and brings it back; the labor cost is very low there.

Q Anything else you can tell us about the coal business from the consumer's point of view?

A I don't know, sir; of course, we want to get the best value we can for the money.

COMMISSIONER WHEATLEY: From your own experience that in the handling of the coal and the costs, you don't look for much cheaper coal from the mine, do you?

A No, sir; the market is increasing all the time and I don't think that we are likely to get much cheaper coal.

Q In view of the increase in the slacks, has the price reflected itself into a lower price in the higher grades of the coal, do you know? Have you noticed that?

A I don't think so; I think the price for the higher grade has increased too. I have not been actively engaged in coal production for several years; I have not followed that very closely.

1. The first of the most important things to be done is to

2. get the most out of the money that is put into the business.

3. The second thing to be done is to get the most out of the

4. time that is put into the business.

5. The third thing to be done is to get the most out of the

6. people that are put into the business.

7. The fourth thing to be done is to get the most out of the

8. things that are put into the business.

9. The fifth thing to be done is to get the most out of the

10. people that are put into the business.

11. The sixth thing to be done is to get the most out of the

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13. The seventh thing to be done is to get the most out of the

14. people that are put into the business.

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22. people that are put into the business.

23. The twelfth thing to be done is to get the most out of the

24. things that are put into the business.

25. The thirteenth thing to be done is to get the most out of the

26. people that are put into the business.

Q There is a recommendation that coal be shipped into these centres as it comes from the mine and screened here in order to preserve the lumps. Travelling in box cars they are shaken and it breaks up considerably the lumps and creates much degradation of the coal. This, among the dealers, is quite a problem and the source of much dissatisfaction between the operators who sell and the dealers who handle it. It has occurred to me, since hearing you in the matter of pulverized coal, that some pulverized plants could be put up to advantage, if coal could be screened in points like Calgary or Winnipeg. What is your view on that?

A Well, that particular feature is new to me. It could be done with a central screening plant; each dealer could not afford to screen it.

Q It would be a central plant.

A But a central screening plant might possibly handle that economically.

Q It occurs to me that it would both preserve the rough coal that is travelling to the market and this slack or fine coal could be pulverized and utilized as you say very effectively.

A There is no question about the advantages of pulverized fuel now; while all the difficulties have not been overcome yet, it is thoroughly commercial now.

Q It is a quite interesting feature to look into.

THE CHAIRMAN: Have you any other suggestions you can make to us?

A Well, I might suggest that you give the low temperature distillation of coal some consideration. I believe that is one of the very important developments. In one of Henry

There is a possibility that the information is not correct.

It is a matter of fact that the information is not correct.

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Ford's plants I understand that is being carried on very successfully. The by-products from the coal give them a fuel at - well, I believe it is charged into the boiler house at 5¢ a ton.

Q What is charged in at 5¢ a ton?

A The fuel is charged into the boiler house at 5¢ a ton after it has been through the low temperature distillation course.

Q You mean the coke is?

A No, the refuse, that should make cheap steam.

Q But probably they have got a very good market for those by-products?

A They use most of them themselves. They use their lubricating oil about the plant and the gasoline for motor fuel for testing.

Q You don't know what they pay for their original fuel?

A The figures I got were 7.50 a ton at the plant.

COMMISSIONER WHEATLEY: Steam, coking coal?

A I don't know just where it came from but that was what it was costing them at the plant.

THE CHAIRMAN:

Q That is one thing we will probably have to look at to the limit of our capacity to judge of such things, that is, my personal capacity to judge of such things. Mr. Drinnan - - well

A I should think you would find it worth your while.

Q Yes, we have had it recommended and suggested it was worth while looking at.

A Something of that kind might help very greatly in this western field, particularly the Drumheller district. If

INTERVIEW

Q. Now, I understand that you were in the
company of the other two men at the time
of the shooting, is that correct?
A. Yes, I was.

Q. What time was it?

A. It was about 10:30 p.m.

Q. How far away were you from the car?

A. About 10 feet.

Q. Did you see the car?

A. Yes, I saw it.

Q. Did you see the man who was in the car?

A. Yes, I did.

Q. How many of them did you see?

A. I saw two of them.

Q. What time was it?

A. It was about 10:30 p.m.

Q. The first one I got was \$5.00 a ton of the plant.

Q. How much did you get?

A. I got about 10 tons.

Q. How much did you get?

A. I got about 10 tons.

Q. How much did you get?

A. I got about 10 tons.

Q. How much did you get?

A. I got about 10 tons.

Q. How much did you get?

A. I got about 10 tons.

Q. How much did you get?

a suitable method of treating that coal could be developed so that the coke might be shipped East there would be no deterioration.

Q Isn't one of the great difficulties with the low temperature distillation the friability of the coke?

A I believe that has been a trouble but that may be overcome ; of course, that low temperature distillation process is only experimental so far, it has not been developed as far as the powdered fuel.

COMMISSIONER WHEATLEY: Have you looked into the possibilities at all, or given it any consideration, of the difference between providing power by steam as compared to hydro?

A Yes, I have given it some. One cannot generalize on anything of that kind; it is a matter of local conditions.

Q There seems to be a public sentiment prevailing and it is well to hear just what the views of engineers like yourself are on these matters.

A Well, where the conditions are favorable and you have an ample supply of water the hydro is a very attractive proposition.

Q But to instal a plant such as is referred to in this Spray Lakes proposition in a district where we have so much available coal as we have here, would you think it would be worth the consideration of using coal rather than trying a hydro plant at that extreme cost?

A Well, I haven't very much information on the cost of this proposed development but such information as I have leads me to think that, from a commercial point of view - and,

I believe that there has been a trouble and that may be because
of some of the things that have happened in the past.

It is not the same thing as the trouble that has happened in the past.

I believe that there has been a trouble and that may be because
of some of the things that have happened in the past.

It is not the same thing as the trouble that has happened in the past.

I believe that there has been a trouble and that may be because
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of some of the things that have happened in the past.

It is not the same thing as the trouble that has happened in the past.

I believe that there has been a trouble and that may be because
of some of the things that have happened in the past.

that, after all, is what engineering comes down to, the matter of dollars and cents, and I cannot see that this proposed hydro development is a sound commercial proposition. I may be wrong but that is my personal opinion.

Q As compared with what?

A With coal, the generation of power from coal.

Q I am glad to have that expression from you as an engineer.

A We are talking about the need of a larger population in this Western country. Well, the development of hydro-electric is not going to bring the population.

Q You have no figures that would give us comparisons, have you?

A It is rather a dangerous thing to generalize on. I can get you some figures that might be of interest.

Q Personally, I would be very glad to see them if they would be an advantage to the commission.

A There is an American commission have investigated that subject and they reached some rather interesting conclusions. I believe some of their results were published in the Canadian Engineer recently.

THE CHAIRMAN: It would be very much appreciated if you could let us have reference to those.

A I will try to get that for you. I will be very glad to give you any information I can get, if you want it.

Q We want all the information we can get, although we don't know what use we can make of it. Address it to us in Edmonton. Thank you very much, indeed, Mr. Moody.

...and, of course, I cannot see that this
...I may be wrong but that is my personal opinion.
...in comparison with what
...with coal, the generation of power from coal.
I am glad to have that expression from you as I believe.
We are talking about the need of a larger population in this
...is not going to bring the population.
The fact no further that would give a very good
It is a dangerous thing to generalize on. I can see
...I would be very glad to see them in the world
...to the commission.
...they reached some rather interesting conclusions.
I believe that in this regard they are right.
...I would be very glad to see them in the world
...to the commission.
...they reached some rather interesting conclusions.
I believe that in this regard they are right.
...I would be very glad to see them in the world
...to the commission.

COMMISSIONER A. G. GRAVES

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Commissioner of the City of Calgary?

A Yes.

Q How long have you held that position?

A Fifteen years with the exception of one year.

Q We are anxious to hear what the coal business looks like from the consuming point of view. If you are ready to give us a statement in your own words, it would be most suitable.

A Well, I haven't any extensive statement to make except as representing the consumer, the City of Calgary. We are, as you would assume, large consumers of coal in our various public buildings and General Hospital, power plant, etc.

Q What is the total?

A In our power plant last year we used 13,461 tons of slack coal.

Q The year 1924?

A Which, I may say, is about half we were using in 1922. We are using more hydro (?) now, that accounts for the reduction in the quantity. For other purposes, for public buildings, we are using 3070 tons of coal, approximately. The school board is using about 3500 tons. Those figures are approximate.

Q Is that all slack?

A No, the latter figures that I give you for public buildings and school board is both lignite - or generally, the coal that goes generally under the term of lignite, that is the

EXHIBIT A-1

being called as a witness and being sworn, and answered the

following questions of the Court:

Q.

Now, you have not been sworn yet, have you?

A. Yes, I have been sworn.

Q. Now, you have not been sworn yet, have you?

A. Yes, I have been sworn.

Q. Now, you have not been sworn yet, have you?

A. Yes, I have been sworn.

Q. Now, you have not been sworn yet, have you?

A. Yes, I have been sworn.

Q. Now, you have not been sworn yet, have you?

A. Yes, I have been sworn.

Q. What is the result?

A. In our power plant last year we used 15,461 tons of coal.

Q.

A. The coal is used.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it.

Q. Now, I am going to ask you a question.

A. Yes, I am going to answer it.

term you are using, I estimate - Drumheller and Lethbridge coals, and also the bituminous coals from the Crowsnest Pass.

Q What sizes?

A Generally run of mine with some screened bituminous coal, what is generally termed, I believe, slack coal from the Crowsnest Pass.

Q Yes?

A The amount of money which we paid out last year was approximately \$63,000. for the city purposes and the school board requirements, I haven't got their actual figures but they ran between twenty-eight and thirty-three thousand dollars per annum for school board purposes. The prices we are paying for bituminous coal delivered in the bins, the public buildings, is varied somewhat. I may say last year was about the highest price we have paid. We are paying now for bituminous coal from the Crowsnest Pass district 8.25 a ton for run of mine, for one grade, and from another company we are paying 7.25 for run of mine and 6.65 for screened slack.

COMMISSIONER WHEATLEY: When was this contract made? How recent are these figures?

A Well, those are our figures for the city. The school board prices are a little different to that, their contract made late last fall -

THE CHAIRMAN: But these prices you have given us, when was the contract made?

A About January of this year - rather, I might say, recently - those are reduced prices I have given you now; we have

from you are using, I am afraid - I am afraid and I am afraid

what is generally termed, I believe, black coal from the

The amount of money which we had out last year was about

about \$23,000. For the city purposes and the school in 1917

perhaps, I haven't got their exact figures but they

are between twenty-eight and thirty-three thousand dollars

per annum for school board purposes. The prices we are

paying for bituminous coal delivered in the city, for the

bituminous, is varied somewhat. I may say, last year was

bituminous coal from the Government was about \$2.25 a ton

for run of mine, for one grade, and from another company

we are paying \$7.25 for run of mine and \$6.00 for screened

then was this contract made? Now I am afraid

some difficulty

1. I am afraid the contract was made in 1917

perhaps was in 1917 I am afraid in 1917, I am afraid

1917 I am afraid

the contract was made in 1917 I am afraid in 1917, I am afraid

1917

1. I am afraid the contract was made in 1917

1917 I am afraid the contract was made in 1917

recently got a reduction of 50¢ a ton in one case and 45¢ a ton in the other.

Q These are the reduced prices?

A These are the reduced prices I have given you, yes.

Q Just explain that. You made a contract in January at a certain price; then what happened?

A We run along , in January we were paying for what we are now paying 8.25, in January we were paying 8.75 a ton.

Q In what sense was that contract -- what were the contract terms?

A Any reduction in price at the mines, we were to get an advantage of the reduction of prices.

Q How about an increase in price at the mines?

A There is nothing ^{about} an increase.

Q A rather one-sided contract?

A We were anticipating a decrease, of course, when the price was made.

Q So that you did get, then, 50¢ from the 8.75?

A Yes.

Q And .45¢ from the -

A Yes, and 45 on the -

Q From 7.70 down to 7.25, the same with 6.65?

A There was a reduction of 45¢ there on the screen slack.

In respect to our lignite coal, we are using, as most power plants are using there, the pea nut slack, lignite slack; that is costing us - the average price last year was 3.01 per ton; that is the highest we paid for that material.

Q You say the average price?

recently got a rejection of the loan in one case and \$500

a loan in the other.

When the loan was rejected in January

the loan was rejected in January

the loan was rejected in January

the loan was rejected in January

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the loan was rejected in January

A Yes.

Q How do you get it?

A Well, some of it, of course, you can get probably 50¢ a ton at the mine; for a better quality you have to pay 75¢ to \$1.00 per ton; there is various grades of slack.

Q Well, then, 50¢, 75¢ and \$1. How much is the freight rate?

A The freight rate from Drumheller is 1.70 a ton.

Q And what is the rest of that 3.01?

A There is a price - some of that coal I have given you there last year - I say our prices were 3.01 - some of our coal cost much over a dollar a ton on account of the shortage and strike conditions last year. Oh, I have given you the average price there of 3.01 as the average price of lignite slack coal; it may be nut coal or pea slack, as the case may be; our average freight rate last year from both Lethbridge and Drumheller worked out at 1.85.

Q Some was Lethbridge?

A Yes; some was, of course, a better quality than others.

Q What were you paying for Lethbridge?

A I haven't got the figures on the Lethbridge coal, slack.

Q Do you burn any gas in competition with coal?

A Very little, only just a very small quantity.

Q Have you tried gas for heating public buildings?

A Yes, we cannot afford to burn gas at 48¢ to heat public buildings; that is the price we have to pay; if we can get that down at 25¢ we can afford to heat our public buildings cheaper on gas than coal.

Yes.

How do you feel it?

Well, some of it, of course, but not yet completely. A ton at the mine; for a better quality you have to pay 75¢ to \$1.00 per ton. There is a tonnage of 20,000.

Well, then, 50¢, 75¢ and \$1. How much is the freight? The freight rate from Chamberlain is 1.70 a ton.

and what is the rest of that 5.01?

There is a price - some of that coal I have given you there last year - I say our prices were 5.01 - and if you had paid for a ton of coal, you would have paid 5.01 and a little condition last year. 5.01, I have

given you the average price there of 5.01 as the average price of lignite black coal; it may be 5.01 or 5.02, as the case may be; our average freight is 1.70 a ton, and from both Chamberlain and Chamberlain a truck out of

and we have that

Yes; some was, of course, a better quality than the

with the same quality for the same

I thought that you wanted to see the same quality

as the same quality as the same quality

very little, but the same quality

have you tried the same quality

Yes, we have tried the same quality

and the same quality

and the same quality

and the same quality

Q Let me get a little further into that. Gas at 25¢ a thousand would compare, in your opinion, with coal at what price?

A Well, I am not prepared to say the price which you would compare. I am just going on memory of some years ago when we had an abundant supply of gas and at that time, I don't know what the price of coal would be at that time but we tested out on various occasions and we had a rate from 20 to 25¢ on gas and we could do it cheaper.

Q But you don't know what price the coal was?

A No, I don't know what the price of coal was at that time; I have no prices back to that date.

Q I wonder where we can get a real comparison from practical experience, not from --

A Well, I could get that information; it would take a little time to get it. We have it on record but it would take a little while to get it out.

Q I would appreciate very much if we could - I think it is a comparison we should make. Coal is in competition with gas at a number of points and I think we would like the experience.

A No competition at the present price of gas, though.

Q Well, I don't know. We have had other people think differently on that.

A Of course, I'd probably correct that statement as far as domestic purposes are concerned, but I am referring now to power plant operation, big boiler plants.

COMMISSIONER WHEATLEY: It would be nice to see just where the margin

1977-78

It will be a pleasure to you.

of variation was. If you had actual figures as to the profits of heating by gas -

A Of course, I can produce you a chart that is more or less theoretical on the relative values of gas and coal.

THE CHAIRMAN:

Q No, but what I want is some actual test as you say you have made.

A Well, I could get what the cost as to heating our city hall and police station, on gas as compared with coal.

Q We would appreciate it if you would get that for us.

A Yes. We are buying our coal on the B.T.U. basis, make tests.

Q Explain that to us, please.

A When we call for our contracts, we specify that the contractor will be penalized if he fails to live up to a certain value which he has put on his coal, which would be the B.T.U. value and, in the event of - -

Q What is the penalty?

A The penalty, in our case - I have not got the specifications here - if it varies more than 2 per cent. above or below the penalty is 1 per cent. For instance if there is a drop to 3 per cent. below his guarantees, we penalize him 1 per cent.

Q Of what?

A Of the actual cost per ton of coal.

Q Does he quote you a price delivered?

A He quotes us a price delivered, yes.

Q 1 per cent. of the delivered price?

A Yes; if his values exceed, then we pay him a bonus.

Q Now, if you had a coal furnace in the

house, would you have a coal furnace in the

house, I can produce you a chart that is more or less

showing the cost of coal in the house.

Q Now, if you had a coal furnace in the house, would you

have a coal furnace in the house?

A Well, I could get what the cost is to heating your old

hall and police station, on gas as compared with coal.

Q Now, if you had a coal furnace in the house, would you

A Yes. We are buying our coal on the B.T.U. basis, which

means

Explain that to us, please.

Q Now, if you had a coal furnace in the house, would you

Q Now, if you had a coal furnace in the house, would you

certain value which he has put on his coal, which would

be the B.T.U. value and, in the event of -

Q Now, if you had a coal furnace in the house, would you

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Q Now, if you had a coal furnace in the house, would you

Q Now, if you had a coal furnace in the house, would you

Q Now, if you had a coal furnace in the house, would you

Q Now, if you had a coal furnace in the house, would you

Q 1 per cent.?

A Yes.

Q How do you proceed to sample the coal?

A We have a chemist department and our chemist takes a number of samples out of the cars, takes a number and takes the average of a number of samples during the month.

Q Does the company supervise that or leave it to you?

A They leave it to us, generally speaking; sometimes there is a question, we have a resample or give them a sample of the same coal and recheck it if they wish to do that but they invariably take our analysis.

Q How does he actually take the sample, do you know?

A Oh, I do know but I have never seen it done, I don't know exactly; he takes a number of samples from different parts of the car.

Q Does he take it from the car as it stands or as it is being unloaded?

A Oh, generally when the car is being opened up and when they are unloading, he goes over and takes a sample from different parts of the car.

Q The reason I am asking the question is, I don't suppose it happens much with slack coal but lump coal there is supposed to be a difference with the pressure in transit.

A Well, that is a matter I would have to ask the chemist to give you the information because I have not actually seen it done. I presume it is a standard method and a satisfactory method to the companies.

Q Well, then, for every 2 per cent. ^{either} above or below there is either a bonus or a penalty?

A Yes.

Q Of one per cent.?

A Yes; it is working out in our case fairly satisfactory and we are getting very much better results than heretofore; we have had quite a lot of difficulty in connection with the grading of coal and there has also been a tendency formerly, a few years ago, when we first started in on this method, for the contractor to put in rather a higher average B.T.U. value than what they could maintain; they generally put in the government records, tests that have been made by the government, which you quite understand are bound to vary at the different parts of the mines.

COMMISSIONER WHEATLEY: What variation do you find, say, in that instance?

A Oh, I don't know; there has been a good many penalties in the past but there is very few now; they have got below their B.T.U. values, in many cases.

Q How did you agree on this in the first instance?

A It makes no difference to us if they say they have a certain B.T.U. Value and will guarantee that, if they don't live up to it they are penalized.

Q What class of coal is it, in the first place, steam or domestic?

A Is it desired I should give names of all these companies?

THE CHAIRMAN: From which field?

A Principally in the Crownest Pass field.

well, then, for every 2 per cent. above or below there is

added a bonus or a penalty.

It has been said.

That it is possible in our case to find a way
and to get things very much better than now;
we have had a lot of difficulty in connection with the
problem of how to get the best results from the
A few years ago, when we had a very good
the government was not in a position to do
provision, and the fact is that the government
of the government was not in a position to do

of the government was not in a position to do

indeed.

As I have said, there is a great deal of
the fact that there is a great deal of
with a great deal of
the fact that there is a great deal of
in the fact that there is a great deal of
the fact that there is a great deal of
the fact that there is a great deal of

the fact that there is a great deal of

indeed.

the fact that there is a great deal of

the fact that there is a great deal of

the fact that there is a great deal of

Q This principally applies to Crowsnest Pass?

A Yes, also the Drumheller fields, too, as far as living up to the standards, but some of the coal from the Crowsnest Pass has been unsatisfactory by the fact it had a large amount of slate. While you get one good carload the next carload is probably not up to anything like standard.

Q When you call for tenders, then, your tender is a price and a B.T.U. value?

A Yes, sir.

Q I suppose that is all published when the tenders are opened?

A Yes.

Q What relation do you take between B.T.U. value and price between two coals?

A Well, of course, we take the greatest value we are getting for one cent, the greatest number of B.T.U.'s for one cent; that is the way we work it out. One cent will buy so many B.T.U.'s.

Q Do you decide your tenders absolutely on that?

A Not absolutely. Last year we had quite a lot of difficulty in connection with the matter of purchasing of coal and last year was a difficulty year on account of strike conditions and we tested out a large quantity of different brands of coal last year and we found that even where coal is extremely good quality of coal that, under different firing conditions and different boiler constructions, there is quite a difference in the coal. Where one coal will give very good satisfactory results in the low pressure boiler, we don't get the same results out of it on high pressure,

1890-1891

You, also the Chamberlain, 1890, as far as living

of the Chamberlain, and also of the Chamberlain

next year has been unimpaired by the fact it had a

large amount of waste. While you are not one of the

next year is probably not up to standard like the

then, your tender, then, your tender as a whole and

of the tender

of the tender

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of the tender

or vice versa.

Q So the B.T.U.'s, when you are awaiting a contract, are not an absolute guide as to which coal to take?

A Not an absolute guide, no; it depends, as I say, a good deal on the way your boilers are set, the kind of grates, &c. and the kind of coal you are burning. Some coals are so fine and powdered we cannot burn them at all, although they have a higher B.T.U. than anything we are burning; too much goes through the grates.

Q I take it from that/^{that} the B.T.U. quotation only becomes chiefly important after you have awarded the contract, really?

A Well, chiefly important, yes; of course, there are some coals of a very high volatile type that we tested out last year that, while the price was low, they were an extremely expensive coal when we tested them out under the conditions we were burning them.

Q How do you test them?

A We run a laboratory test first, and after that we check up the actual firing test and compare them with the laboratory test and even in that case they don't always work out; the way we would expect them would compare with the laboratory test.

Q You say the actual firing test?

A We take hours, probably ten or twelve hours, weigh the coal, weigh the ash and the amount of water evaporated.

Q You run the regular boiler test?

A The regular boiler test.

Q Temperature?

A Not in all cases.

Q Temperature of air -

A In some cases, yes, but in a public building, we just weigh the ash and weigh the coal and take the outside temperature, the atmosphere. We did this last fall in zero weather, tried to get the same outside temperature under each test.

Q Are the results of these tests on file somewhere in the city office?

A We have a number of them on file.

Q Would it be convenient for you to let us look over them? We don't want to make copies.

A Yes, sir, I could do that; I could let you have a copy of that.

COMMISSIONER WHEATLEY: Are they much lower in practical test than they are shown in government records?

A Oh, I would not like to make a general statement on that. In some cases they are, in other cases, of course, you get a better quality to the government results in some cases. There is such a variation, considerable variation.

THE CHAIRMAN: I would be interested to see a copy of the specifications on which you award - -

A Yes; I can let you obtain a copy of the specifications, too, that we award it on.

Q Now, as a large consumer of coal, have you any suggestions to make to this commission?

A No, I haven't any suggestions as far as the coal except we have one general suggestion to make; we think the price of coal is too high, all the time too high as far as,

considering we are in a coal country and not very far from the mines and seeing we are paying anywhere from \$8.00 to \$9.00 a ton during the last two or three years.

Q For what coal is that?

A Bituminous coal and, having regard ~~in~~ it is the short ton at that, we think the price is very high.

Q What is the freight rate on those coals?

A Well, the freight rate varies, of course, from the mines. Hillcrest coal, the freight rate is \$2. a ton on that; that was in 1921, I don't know what it is to-day. We haven't purchased any of that recently. Michel coal, the freight rate was 2.20 in 1923 and ~~same~~ the same in 1924.

Q What price are you paying for it?

A We are paying to-day 8.25 a ton.

Q That is 6.05 at the mine?

A I don't know what the mine prices are, our prices are just delivered.

Q A delivered price?

A Ours is a delivered price.

Q Who do you buy from then, in those cases?

A We buy from the local agents here.

Q When you say the price is too high, have you analyzed any of the -

A No, I have nothing to make, that is just a general statement. we feel that those costs are excessive.

Q But you haven't gone into it to see where the excess comes in?

A No, I am not here to advise the board on that matter, where it is.

the mines and seeing we are paying approximately \$1.00
a ton to \$1.50 a ton during the last two or three years.

What coal is that?
Baltimore coal and, having regard to it is the about the

at that, we think the price is very high.

What is the freight rate on those coals?

Well, the freight rate varies, of course, from the mines.

Illinois coal, the freight rate is \$1.00 a ton on ship; what

is in New York? I don't know what it is in New York. No, I don't

know any of that recently. Michigan coal, the freight

rate was \$1.50 in 1923 and \$1.00 in 1924.

What price are you paying for it?

We are paying today \$1.50 a ton.

That is \$1.00 at the mine?

I don't know what the mine prices are, but I know the

price delivered.

Is it varied in price?

Yes, it is delivered in price.

What is the price of coal in New York?

It is about \$1.50 a ton.

What is the price of coal in New York?

It is about \$1.50 a ton.

What is the price of coal in New York?

It is about \$1.50 a ton.

What is the price of coal in New York?

It is about \$1.50 a ton.

What is the price of coal in New York?

It is about \$1.50 a ton.

Q You are merely saying you think that it is too high?

A Yes. I think that is a general feeling in the city. I can say that, that the price of coals have been and are still too high considering we are so close to the coal mines. I am not here to say where it is, where the price is excessive, that is not what particular branch of the coal mine industry or freight industry, as the case may be, I think that is about all I have observation on.

Q Thank you very much, indeed. Commissioner Graves. If you will let us have those things you mentioned?

A I will, yes.

Commissioner Graves later sent in by mail a letter with enclosures covering the different statements, etc. promised during his evidence.

Said papers put in and marked EXHIBIT 26.A.

HERBERT E. PRITCHARD

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN:

Q Your position?

A I am traffic manager of the Calgary Brewing & Malting Company, cost clerk, paymaster, etc.

Q What can you tell us, as a consumer of coal?

A Well, the matter that strikes us very forcibly is about 1923 we were paying about 35¢ a ton at the mine.

Q For what?

A For slack coal.

Got that from Drumheller mine, and our freight was \$2. a ton.

Q Why is your freight more than the others?

A Well, that is a factor that the Railway Commission does not seem to consider, the value of the article is usually taken into consideration when classifying the rates but they claim - at least, the transportation companies claim that the cheaper grade should take care of the higher class grade of coal. I cannot see that; I don't think that is a factor but it is contradictory to all transportation problems, that is, the cost of freight higher than the commodity that you are carrying.

COMMISSIONER DRINNAN: But we have just had evidence to the effect that the freight from Drumheller to Calgary was 1.70.

A Yes, but at this time I am quoting you, 1923, the figures, it was 10¢ a 100.

Q Is there a switching charge? Your plant is on the C.N.R.?

A Yes. Of course, I understand you are enquiring as to the price of coal. Drumheller proper is a competitive point. You understand what a competitive point is but there is very little coal mined at Drumheller proper, what they call the competitive point, and if they go over the bridge to Rosedale it becomes a non-competitive point and you are assessed a cent a hundred, which goes on to the price of your coal.

THE CHAIRMAN: What is your present freight rate?

A It is 8½¢ a hundred, which is 1.70 a ton; and then a cent a hundred for switching charge.

Q That is, the freight from Drumheller is 1.70 a ton?

A Yes, 8½¢.

Q And from Rosedale?

any of the things that are in the way of the
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A It is the same price plus switching. Drumheller is the same as Rosedale but there is a cent switching.

Q That is 1.90, then, is it?

A It is 1.90.

Q And where is the switching, at which end of the line?

A Well, there is switching at both ends, it is absorbed at Rosedale but charged here by the C.N. as a non-competitive point; you see, the railways at a competitive point, they absorb the switching at a competitive point but the C. N. claim Rosedale is not a competitive point inasmuch as the C.P.R. have no access to that ^{point.} line. I took this matter up before the Railway Commission and they seemed to think it was a pretty big problem and they did not feel as if they were going to dig into the matter, but it is a question that I think deserves quite a lot of attention.

Q I interrupted you. You said in 1923 it was 35¢ a ton at the mine and \$2. freight?

A Yes.

Q There has been a reduction since 1923?

A Yes, under the McAdoo award and the Crowsnest agreement, they finally agreed to cut down half a cent but, at the same time, the coal went up to 60 to 70¢. During the latter part of February it was 35 and in August it went to 60¢.

Q That is 1923?

A Yes, and the reason they gave for that was that the mines were closing down for the summer and the price was regulated by the demand and supply, so that it would be more expensive. In 1924 and '25 it started to climb to 1.25, in fact, it

as Kowalski but there is a call out "Lipsy."

fluctuated from 1.15 to 1.25 to 1.50.

Q For the same grade of coal?

A Exactly.

COMMISSIONER WHEATLEY: What would you term this, nut slack?

A Well, it is general mine run slack, that is the lumps taken out; there is quite a difference in the grades, I mean to say. Carbon, for instance, and Big Valley and Drumheller, there is some difference in the grade, that is, the size of the slack. In some cases we get a car that will run almost to pea coal; then another instance we get a little larger than that, and in some cases smaller, but we have automatic stokers and we call it slack.

Q You think the grading is no better to-day than it was in '23?

A I don't think so.

THE CHAIRMAN: Well, what is your general comment on this price situation?

A Well, to be quite frank with you, I don't want to make any statement; it is a big problem and it is a very serious question. I would be very glad to give you any information that I possibly can but, of course, we were burning gas previous to the inauguration of these stokers and the miners approached us and they said that we could give you a class of coal for 25 to 35¢ a ton. Well, at that time we had no way of stoking it.--We had ^{coal} few stokers--but, of course, we were very much interested in cutting down our overhead as much as possible, and they gave us the impression, at least, they gave us to understand if we would instal these Babcock-Wilcox automatic stokers we could reduce it very considerably. As a matter of fact, that was a true state-

ment when we bought coal at 25 or even up to 50¢ a ton, it was very economical for us to use this kind of coal and it compensated us for putting in the automatic stokers but now we are gradually getting back to the price - well, it looks as though they told this story to everyone and now that everyone wants the slack, there is no slack to be got. That is the whole sum and substance of the thing. In other words, the demand is greater than the supply and we are in the same jackpot that we were before; that is the way I have got it sized up.

Q You say you were burning gas. What were you paying for gas?

A I don't remember; I didn't bring the figures up. Of course, gas is more economical, in a way; you can cut down on your engineering room staff. That all has to be taken into account.

Q I am really anxious to get your figure.

A Well, it was more economical to burn gas at the original figures but you could not compare it with slack at 25 or 30¢ a ton, I don't think; at least, I found it so, because there are certain things to be taken into consideration.

Q Well, have you any suggestions to make about this situation?

A- Well, I know for a fact that if they could get the coal - - If I may be permitted, as a student of transportation and trade problems - it seems to me the whole sum and substance of the thing is that the more coal we mine the more slack we will have, and taking the test that they made in Ontario, it does not seem possible to get Alberta coal outside the province; the freight rate seems to be the stumbling block. I know, three or four years ago that some of the miners

went out to Vancouver and tried to get the K.P. O. - that is the Japanese Steamship lines, the Nippon, Uken and Kasha and the Osaka Susen Kasha and the Blue Funnel lines - they tried to interest these steamship lines in using Alberta coal but it would appear that these tramp boats could bring Welsh coal into Vancouver and unload it cheaper than the Alberta coal; they claim that the water freight was a big factor in that difference, but, if I may be permitted to say, I would think the whole trouble is, as far as I can find it - I have made quite a lot of investigating in this matter, what they tell me is that when there is no demand for the domestic coal there is no slack coal to be had and, in that case, we cannot buy slack if there is no slack coal mined and the solution is to sell more domestic coal and then there will be more slack coal. Well, in the face of the gas and this electric system, perhaps it looks as if there is no suggestion to make. It is just a matter of force of circumstances; that is the way it appears to me. I don't think it is a question - the miners say if we can sell more domestic coal there will be more slack; of course, that is the problem they didn't think of when they came to us and got us to instal these Babcock stokers. We spent a lot of money installing them. Of course, we were sure we would get all the slack we wanted. That is not so. I suppose the problem, ~~xxx~~ as you gentlemen know, the outlook for the summer is not very encouraging; they tell me after this ^{month} ~~summer~~ there will be no coal mined at all.

COMMISSIONER WHEATLEY: Where?

A In the province.

Q Drumheller?

A In Drumheller, that is where we are getting the slack.

Q Due to the falling off of trade?

A Exactly. That is the problem, no domestic coal sold, why, they don't mine and there is no slack.

THE CHAIRMAN: What do you suppose you will have to do this summer?

A Oh, I am taken care of; I have got 6000 ton.

Q Of what kind of coal?

A Slack coal.

Q From where?

A I got it from Drumheller.

Q How are you storing it?

A Outside?

Q How deep on the ground?

A Well, it is about eight feet in pyramid. I take periodical tests with a rod, I have, to see that it does not heat - spontaneous combustion.

COMMISSIONER WHEATLEY: Do you find much variation in temperature that you have to take extra precautions?

A No, there is no trouble. Three years ago we had some trouble but I think the snow was wet, a lot of snow and it started to burn up on its then ; no trouble at all this year.

Q No protection at all?

A All outside in the open.

THE CHAIRMAN: I suppose ⁱⁿ a pile of slack coal, it is ~~the~~ ^{the very} only/outside that is exposed, anyway?

Q. In the previous

A. Statement

Q. In the previous, that is where we are talking about the

A. The fact that the

Q. Now, that is the question, is there any

A. That would be the case

Q. Now, that is the question, is there any

A. Q. I am taken care of; I have not

Q. Of what kind or

A. Black

A. Yes

A. I got it from

A. The fact that

A. That is

A. The fact that

Q. Well, it is a fact that

A. With a red, I have, to see that it

A. A combination

Q. Now, that is the question, is there any

A. The fact that

Q. Now, that is the question, is there any

A. The fact that

Q. Now, that is the question, is there any

A. The fact that

A. The fact that

Q. Now, that is the question, is there any

A. The fact that

- A Oh, yes, it is practically air tight.
- Q That is a very interesting side light on the question of coal from the consumer's point of view.
- A Well, I have gone into this matter quite a lot and, of course, there is all sides to the question but it is a big proposition and I think the ~~xxx~~ real trouble is - I can't quite understand and I think you will agree with me, it is rather some question that needs a great deal of thought, when you can buy coal at 50¢ a ton and you have got to pay 2.10 to get it to the plant.
- Q What is the mileage?
- A I think it is 82 miles. Now, Banff, practically the same distance, we did get our coal from the C.P.R. mines, semi-anthracite, that was 2.40 freight a ton, 11¢ a hundred.
- Q The railways claim that on the short haul they have got to take care of terminal charges the same as they have on a long haul.
- A Well, one of their arguments is, they say that the rate of freight is what the article will stand; well, coal won't stand that rate, that is a cinch.
- Q In what sense won't it stand it?
- A Well, it is getting so now that there will have to be some solution -
- Q Well, what alternative is there? In what sense won't it stand it?
- A Well, you take this domestic coal; the miners say the transportation companies are making all the money and the transportation companies say the miners are making it.

the way it is possible to find

that the only way to find it is to find it

and then the answer is that it is

well, I have just been thinking about it

there is no way to find it in the way

that it is possible to find it in the way

and then the answer is that it is

some question that needs a great deal of thought

can buy coal at 50¢ a ton and you have got to pay 2.10 to

get it to the mine

What is the mileage?

I think it is 80 miles. Now, that's, practically no more

distance, we did get our coal from the U.S. mine, semi-

privately, and we are paying 1.10 a ton

the price is that on the short haul they have got to

pay more in handling charges the same as they have on a

long haul

that is all in that department, and we are not

paying 1.10 a ton, we are paying 1.10 a ton

and that's all, that is a cheap

In what sense won't it stand it?

Well, it is getting on now that they will

be satisfied

well, the alternative is that it is

and it is

well, the only way to find it is to find it

and then the answer is that it is

some question that needs a great deal of thought

can buy coal at 50¢ a ton and you have got to pay 2.10 to

Q By "miners" throughout your whole evidence you mean mine operator, don't you?

A Yes.

Q Mr. Wheatley thinks you have been meaning his men all along.

COMMISSIONER WHEATLEY: I think I get Mr. Pritchard's point.

A There should be a meeting of the interested parties to fight this thing out. Of course, I understand it would take a lot of figures to just get at the rock bottom. The miners claim they get 80¢ a ton at the top of the mine. I was reading an article that the miners got 80¢ a ton for mining it. I don't know whether there is any truth in it or not, I don't care, as a matter of fact, but there is a big difference and if there is some one that is getting more than they should I think the matter should be dealt with; I don't really think that coal should cost 2.20 a ton. That is a matter for the Railway Commission and, of course, if they don't feel inclined to dig into the matter, if it is going to be -

Q What do you mean by 2.20?

A Taking Lethbridge, it's 10¢ a hundred and McGillivray is 2.50.

Q Where did you get the 2.20?

A Well, I figure 20¢ for handling; we have a contract, 20¢ a ton handling.

Q What does that involve?

A That is just from the car to the dump.

Q COMMISSIONER DRINNAN: You are not blaming that charge on the railway commission?

A No; I probably should have mentioned that.

THE CHAIRMAN: \$2.00 is the figure?

A \$2.00.

Q Anything else?

A No, I just wanted to give you our side of the question. We are not making any big complaint about the price, just the figures speak for themselves.

Q We are very glad, indeed, to have this evidence. We want to know about the consumer's point of view on the thing. Thank you very much, indeed.

MR. A. E. WILSON: I would like to correct that gentleman's statement on the freight rate from Lethbridge; it is 1.90 and McGillivray Creek is \$2.00 a ton.

COMMISSIONER BRINNAN: I think there are a lot of other statements he made that require correcting.

THE CHAIRMAN: You can correct them when you give evidence. We will adjourn until 2 o'clock.

Adjourned until 2 o'clock P.M. to-day.

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THE UNITED STATES OF AMERICA

1. 1917

2. 1917

3. 1917

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5. 1917

6. 1917

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10. 1917

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12. 1917

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16. 1917

2 o'clock P. M., Wednesday, May 13th, 1925.

R O B E R T M. T U K E,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your firm name?

A The City Coal Company, Limited.

Q And your position in the firm?

A Manager.

Q How long have you been in that business?

A In the coal business, Mr. Evans?

A Ten years.

Q Where?

A Nine years.

Q Where, Mr. Tuke?

A Edmonton and Calgary.

Q How long in each place?

A About four years in Edmonton, five years in Calgary.

Q You heard one of the witnesses this morning say that the people of Calgary, including himself, thought that they were paying too much for coal.

A We get that all the time.

Q We would like to hear from you in your own way what you think about your part in that price, the retail dealer's part.

A The retail dealer's part of it?

Q That is what you are doing, isn't it, retailing coal?

A Retailing coal, yes.

Q We will just deal with the retailing part of it first.

A Well, we pay for our coal, the general run of coal that is

handled here in town this winter has been single screen or sometimes called furnace lump, from Drumheller.

Q Yes?

A The price of 4.45 per ton.

Q Where?

A F.O.B. the mine. The freight on that is 1.70, if it comes from Wayne, we are on the C.P.R., we pay a 10¢ switch but the most of our coal comes from Drumheller. We sell that coal for 8.75 per ton. That gives us a margin of 2.60 per ton. Now, out of that we have to pay a dollar teaming; that is the regular teaming price throughout the town, a dollar per ton on domestic coals.

Q Does that vary according to zones of delivery?

A Well, it does to a certain extent. We used to have a regular zone system here in force in town but that has been eliminated to a large extent and now we will take orders anywhere in competition with the other fellow and we will stand the loss ourselves, pay our teamster the extra cartage.

Q What does that amount to?

A Oh, it amounts to 25 to 50¢ per ton - I know, where I live, about four miles out, we pay 50¢ a ton additional down there.

Q That is 1.50 per ton?

A Yes.

Q Against that, what is the lowest rate for teaming?

A A dollar per ton is the lowest rate we pay for teaming on domestic coals.

Q Have you any idea of how much of your business you have to pay excess teaming on?

... is now ...
or sometimes called ...

The price of 4.45 per ton.

T.O.B. the mine. The freight on ...

... on Wayne, we are on the ...
... of our coal ...
... the ...
... the ...

Does that very ...
... it goes to a ...
... some ...
... to a large ...
... company ...

Oh, it amounts to 25 to 30¢ per ton -
about four million out, and they ...
That is 1.50 per ton?

...
...
...
...
...

- A Yes, the percentage has increased materially this year, I should say about probably this year it has run to 20 per cent. of our business.
- Q 20% of your business calls for a teaming charge of something over a dollar?
- A Yes, I should say roughly 20 per cent. of it.
- Q Would it be fair, perhaps, then to put the teaming in at an average of something over a dollar?
- A No, I wouldn't, because in some cases if we pay an extra quarter we charge the extra quarter.
- Q Oh, you do charge the extra quarter?
- A Yes, unless it is some special case where we are running up against competition and we want that business, then we will go after it.
- Q Generally you charge the extra?
- A Generally we charge the extra teaming to the customer.
- Q All right; that is teaming \$1.00.
- A That leaves us a margin of 1.60 a ton. We unload a large quantity of our coal; we have large shed space, and we handle about five different grades of coal.
- Q Yes?
- A The average unloading cost will be 20¢ per ton, 20 to 25¢; then we come to the item of wastage, which is a big question with us. On every car of Drumheller coal that you get in your average forkings will come anywhere from 3000 to 4000 pounds per car.
- Q That is what is left behind?
- A We fork out all our coal with forks about an inch and a half

Yes, the percentage has increased materially this year, I
myself and many others. It was 10 per cent. of our
cent. of our business.

Yes, I should say roughly 10 per cent. of it.
Would it be fair, perhaps, then to put the percentage at
an average of something over a dollar?

No, I wouldn't, because in some cases it is not an extra
quarter we charge the extra quarter.

Yes, you are saying that extra quarter.
That means it is not a quarter of the whole, but a
quarter of the whole, and we are not saying that we
will be extra.

Generally we charge the extra quarter to the customer.
It is right; that is meaning \$1.00.

That means we are saying it is not a quarter of the whole,
but a quarter of the whole, and we are not saying that we
will be extra.

Yes, the business is not a quarter of the whole, but a
quarter of the whole, and we are not saying that we
will be extra.

Yes, the business is not a quarter of the whole, but a
quarter of the whole, and we are not saying that we
will be extra.

Yes, the business is not a quarter of the whole, but a
quarter of the whole, and we are not saying that we
will be extra.

tines- I think it is about an inch and a half tine.

Q That is the space between the tines?

A Yes.

Q You say there is 3000 to 4000 pounds?

A On an average.

Q What do you sell it for?

A What we can get for it; sometimes we will sell it for 2.75 per ton delivered; other times you will get as high as 3.75; it all depends on the market.

COMMISSIONER WHEATLEY: To whom do you dispose of that?

A Well, in the winter time we try to get hold of a certain amount of contracts; a number of garages use quite a lot of it; they will take quite a lot of your forkings; and then other times you get stuck with it and you have to sluff it off to the power plant, get what you can for it down there, that is, if you are stuck with too much of it.

THE CHAIRMAN: What does that work out to per ton of coal that is left, the cost owing to wastage?

A Well, I should imagine that we lose through wastage, and through another item, too - on pretty nearly every car you get in you have, perhaps, one or two tons or sometimes more than that of small coal that you cannot put out with your lump coal for lump purposes. People in Calgary are pretty particular about furnace lump coal, or lump coal of any kind, whatever you specify; they won't take the small stuff at all with lump coal.

Q How does that differ? How do you get it separated?

Q. Now, I want to ask you a few more questions.

A. Yes, I will.

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A. Yes, I will.

Q. Now, I want to ask you a few more questions.

A. Yes, I will.

A You have to take it out separately, if you get a car of coal, get your teamster watching that carefully. They will come in - I am down at the yard all the time in the cold weather - they say, that is running pretty small down there; we cannot put it out to our customers or you will have a kick if you do.; we will sluff that off probably 50 to 75¢ per ton lower price and sell it as a stove coal.

Q What is the actual process of separation as you are unloading?

A Well, you just go ahead and fork it out and leave it to your teamster or yard man, as a general rule, to see there is a good average load of lump coal goes out.

Q And you say you sell that at 50 to 75¢ ^{per} ~~4~~ ton less ?

A 50 to 75¢ per ton less price.

Q Combining those two things, what do you - -

A I would imagine for every car of coal, at least I am pretty sure of what I say, if you take a 35 ton car of coal, that you won't get more than 30 tons you get your full price on.

Q That leaves how much that you get -

A Well, I say from two to three tons of stove coal, large sized stove coal and the balance forkings.

Q That is 2½ tons on which you lose 50 to 75¢ and 2½ tons on which you lose -

A You lose about five to six dollars per ton.

Q Have you figured out what that should come to?

A No, I know that if we make a dollar a ton on our coal we consider we are doing pretty good, in fact, taking into account -

Q What do you mean to say by making a dollar a ton?

A If we clear a dollar a ton over our teaming.

Q You say it costs from 25 to 25¢ to unload. Is that where you put it on the ground?

A That is where we put it in the shed.

Q What does it cost -

A Well, we pay ~~xxxx~~ the same price to the teamster for unloading but then we are up against more wastage there again by putting it into sheds.

Q Does this wastage of 3000 to 4000 pounds come on the car without storage?

A Yes, it does.

Q Have you any estimate of the additional waste in storage?

A Yes, I would say an extra thousand pounds, five hundred to a thousand pounds, anyway. You have a drop of about six feet and your coal gets broken up and you get so much more wastage out of it.

Q What proportion of your coal goes through storage as against the amount that is delivered direct from the car?

A Well, now, that varies. On the winter's run of six months I should say possibly we would put in anywhere from 35 to 50 per cent. of it through our sheds.

Q And the other seasons?

A Through the summer time, you mean?

Q Yes.

A Oh, well, we don't figure on carrying much lump coal then, there is no demand for it.

Q The winter is the bulk of your trade, is it?

A The winter is the bulk of the trade.

Q Would it be fair to say of all the coal you handle from 35 to 50 per cent. goes through the storage process?

A Yes, I think it would.

Q Well, I would calculate that, then, 2.60 gross, teaming \$1.00, leaves \$1.60; unloading from 20 to 25, applying ~~tax~~ to 30 to 50 per cent. of the coal, average a charge per ton from that cost of 6 to 12½¢.

A Well, we generally figure up anywhere around about 10¢, that is on our average turn over.

Q Taking that at 10¢ and your loss through the smaller coal, 2½ tons at 50 to 75¢ is 1.25 to 1.87, and 2½ tons at \$5. to \$6. is from 12.50 to 15.00, totals 13.75 to 16.86, calculated on the 30 good tons that are left is from 36¢ to 56¢, so that would make it net at that stage from 1.04 to 94¢.

A Around about \$1.00 per ton.

Q And you said you have averaged about \$1.00 a ton. Now, what has that \$1.00 to cover?

A Well, it has to cover overhead, consisting of salaries, taxes - our taxes are pretty heavy - and then we have to make enough to carry us over the lean season.

Q What about bad debts?

A Bad debts are a pretty heavy item in this town; I would not care to say what percentage of the business they amount to but they run pretty heavy.

Q Do you own your own yard?

A The City Coal Company, Limited?

Q Yes.

A Yes, owned by the North American Collieries.

Q , We are giving you an opportunity to explain something that the public seems doubtful on and ^{any} ~~in~~/detail you can give us that helps to explain your problem. we want to see is put fairly before us.

A Well, the greatest problem we have been up against this winter has been shortages in weights in cars.

COMMISSIONER WHEATLEY: What do you attribute this to?

To bad taring or short weight at the mine?

A Well, no, I don't blame the mines at all because the mines have nothing to do with it and it doesn't matter what mine it comes from, it seems to have been chronic all the way ~~through~~ through this season, not only ourselves but every other coal dealer you talk to.

THE CHAIRMAN: What does it amount to?

A We have had it run up as high as $2\frac{1}{2}$ tons per car.

Q What is your explanation?

A Well, it is pretty hard to give an explanation on that; we keep pretty accurate tab on our coal as it comes in.

Q How do you know it is short?

A Well, whenever we get a chance, if we get a car in - in the rush season it is pretty hard to do it because you cannot concentrate on one car of coal, but we have, on several occasions since January, make a special note with one car and we would not take any coal out of our sheds at all; we would take all the ~~extra~~ coal out of that car and then check it up with our bill weights and we have had shortages, cars come in sealed in good order.

COMMISSIONER WHEATLEY: Where do you attribute it to?

A Well, I think quite a lot of it has to do with the taring of the cars; that is where I think quite a lot of trouble comes in.

THE CHAIRMAN: Do you ever find overages?

A Very seldom. We had one case of overage in a car of coal down at our place that was checked in by the Dominion Government weigh scale man. The car was weighed out from him at Drumheller, I believe, and he 'phoned me in to ask if he could come down and see that car weighed out over our scales. He came down and he weighed it out over our scales and the car came in 160 pounds over.

Q You mean unloading out into wagons?

A We took it out with wagons and dumped it into the shed.

COMMISSIONER WHEATLEY: Have you ever had any investigations like that where it came under weight?

A Yes, we have made claims on the railroad.

Q But has anyone come along with the car to make such an investigation as they did in the case of this overweight?

A Has anyone come along?

Q Yes.

A No, it is just a case of where the Dominion Government weigh scale man, I think he was on the spot at Drumheller and weighed the car out there and then he 'phoned us in the car number and asked us if we would allow him to come in and weigh out the ^{coal} ~~car~~ in his presence.

Q It is a rather singular thing that the only one was an overweight?

X Yes.

Q And your great complaint is short weights?

A Short weights.

THE CHAIRMAN: Was that car loaded especially for the Government weigh scale man?

A I couldn't tell you that; I know it was weighed out at Drumheller by the Dominion Government weigh scale man, or at least, whether it was actually weighed out by him or he saw it, he was there when it was weighed out. Against that, I think about a month afterwards, we had another car of coal; I was not satisfied with my weights, I 'phoned him up and I asked him to come and weigh out another car of coal out for us and he did; he came down and I think it weighed six or seven hundred pounds short.

COMMISSIONER DRINNAN: Do you know, Mr. Tuke, if the Dominion weight inspector had tared the car at Drumheller?

A I couldn't tell you that.

THE CHAIRMAN: Have you applied the other test of having those cars weighed in Calgary as cars of coal retared?

A No. We are taking too big a chance on that.

Q- Why?

A Well, if the car comes out O.K. we have to pay for the reswitching and the weighing of it.

COMMISSIONER DRINNAN: On any of the claims that you made for short weight, did the railway company give you any rebate on the freight?

A Well, I think we have got three claims up with the railroad company now and we have never got any settlement of them.

And your great complaint is about weight?

Was that our loaded especially for the Government weight?

about many?

I couldn't tell you that; I know it was weighed and it was...

helped by the Dominion Government weight scale and it was...

least, whether it was actually weighed out by him or by...

and it, he was there when it was weighed out. I should...

that, I think about a month after that, we had another one...

of coal; I was not satisfied with my weight, I weighed this...

up and I asked him to come and weigh one hundred and...

coal out for us and he did; he came down and I think it...

weighed six or seven hundred pounds short.

MR. WILSON: Do you know, Mr. Wilson, if the Dominion weight...

inspector had taken the car at Timmins?

I don't know, but...

Have you called the other lot of heavy things...

weighed in Calgary as one of coal?

No. We are waiting too big a chance on that.

Why?

Well, it is not a chance that I am waiting for...

...and I am waiting for...

...and I am waiting for...

...and I am waiting for...

...and I am waiting for...

...and I am waiting for...

...and I am waiting for...

Q You never had - -

A Only this season, there are three claims in now and I haven't got a rebate on any of them.

Q You don't know who does the weighing at Drumheller?

A No; the C.P.R. weigh man, I presume.

Q The scales are on the C.P.R.?

A C.P.R. or C.N., their own scales.

Q The coal company have no scales of their own?

A No, I don't think so.

THE CHAIRMAN: That is rather a disturbing feature. What do you think could be done about it?

A Well, I think the solution of that would be to have a Dominion Government weigh scale man at those scales at Drumheller; have them charged so much per car extra for the weighing of those cars, so we would know we had our weights. I think it would eliminate a lot of that; if they charged 50¢ per car I think it would cover all the additional expense.

Q Who does the weighing of the team wagons at this end?

A We tare our wagons every morning with either the yard men or mines and then we weigh out our own coal.

Q You do your own weighing?

A Oh, yes, we do our own weighing. Our scales are tested every three months; we are registered public weigh scales.

Q You would not suggest a dominion inspector on that scale too, would you?

Q We have it all the time when we are putting coal into the armouries; we never put a pound out to the armouries but

Q. Now, what is the name of the company?

A. The name of the company is the C. I. R.

Q. Now, what is the name of the company?

A. The name of the company is the C. I. R.

Q. Now, what is the name of the company?

A. The name of the company is the C. I. R.

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A. The name of the company is the C. I. R.

Q. Now, what is the name of the company?

A. The name of the company is the C. I. R.

Q. Now, what is the name of the company?

A. The name of the company is the C. I. R.

there is a Dominion Government man there to weigh them out; of course, it would not do otherwise.

Q That is the only suggestion you have to make on the question of short weight?

A Well, that is about the only thing I can see or else every car should be tared periodically. I don't know how often the C.P.R. or C.N. tare their cars but there ought to be something done to cover the retailer; we hold the bag.

Q Do you know how many retail coal dealers there are in Calgary?

A No, it is a pretty hard thing to say.

COMMISSIONER WHEATLEY: Can you give us an estimate?

A Well, now, I couldn't right off hand; I might be half a dozen or ten out.

Q That would be near enough.

A Oh, I should say there are about thirty; I may be ten out.

THE CHAIRMAN: Does that number fluctuate much with different seasons?

A Oh, quite a few of them go out of business practically in the summer time, concentrate on cartage, or something or other of that kind; very few of them continue their business just as a coal business alone during the summer time.

Q How many of them have storage space?

A How many of that number?

Q Yes.

A Well, they are all supposed to have; everybody with a license is supposed to have storage space, whether it is from one car up to fifty cars, they are all supposed to have storage space.

Q Well, in order to have a license - ?

there is a Dominion Government man there to weigh them out;
of course, it would not be a standard.

That is the only question for which we have to
question of about weight?

Well, that is about the only thing I can see on the way
out should be tested periodically. I don't know how often
the U.S. is, but that would be a good idea.
something done to cover the retailer; we hold the bag.
Do you know how many retail coal dealers there are in

anyway?
No, it is a pretty hard thing to say.

WHY? Can you give us an estimate?
Well, I would say that it is about 100,000.

That is a pretty big number.
Yes, it is a pretty big number.

That is a pretty big number.
Yes, it is a pretty big number.

That is a pretty big number.
Yes, it is a pretty big number.

That is a pretty big number.
Yes, it is a pretty big number.

That is a pretty big number.
Yes, it is a pretty big number.

That is a pretty big number.
Yes, it is a pretty big number.

That is a pretty big number.
Yes, it is a pretty big number.

That is a pretty big number.
Yes, it is a pretty big number.

- A In order to get a license you must have scales and a shed.
- Q The solution of the heavy charge for retailing, as suggested by some people, is that if there were fewer retailers it would be a more economical operation, that/^{it}would apply on more tons of coal.
- A Yes, I agree with that, too; there are too many retailers altogether for the size of the town.
- Q Would you have any idea how many cents per ton, as a maximum, might be saved if the number of retailers was reduced?
- A Oh, I wouldn't say it would go much over 25¢ per ton.
- Q But you think there might be 25¢ per ton saved?
- A I think there might be 25¢ per ton saved if you had the volume of business/^{but} There is not the volume of business in the town any more.

COMMISSIONER WHIMATLEY: There is a tremendous overhead to be maintained with those thirty dealers. If there was some combination -

- A What we are up against now, we are into our slack season now in the coal business here in Calgary; we will be doing nothing now from this time until August, when we have got to carry over four or five months, no business at all worth talking about, and this has been the worst spring ever I have seen for coal business in Calgary; I think every coal dealer will say the same thing, that there is no summer coal being used here any more worth talking about.
- Q Is there no possibility of a number of the various companies going into some central selling agency?
- A Well, I don't see how you would do it very good.
- Q Well, this thirty lots of sheds and weigh scales and offices

and all these things, look to me to be an excess and you say that if you yourself are burdened with slack trade, could something not be done to get that number together and co-ordinate their interests?

A No, I think the only way you can get anywhere is by a process of elimination. Every year there are a certain number of coal companies go out of business in this town. When it comes down to a point of where you have ten or twelve handling the coal business in this town there is going to be enough business to carry ^{those} the others on; I don't think you can ever have any co-ordination.

Q Well, if the ten or twelve of them got together with a clear understanding of their business, would that elimination not take place much quicker?

A Well, but I don't see how you would carry on your business very good then.

Q Well, the same as you are carrying it on now but you would join together with a better understanding among you as to what is to be done, in regard to rates, etc.

A It is ^a pretty hard thing to do in this town.

Q They can in Winnipeg.

A Yes, the trouble is here we are too close to the market, where we are up against it as retailers to a large extent in this town is the amount of coal shipped in direct from the mines to private consumers, doing the retailer out of the business altogether.

COMMISSIONER IRINNAN: You would have no idea of the annual volume?

A No, I would not care to say but there is quite a lot of it, goes on every year.

Q What class of consumers? It would have to be carload business, wouldn't it?

A Oh, carload business, but a man will get in a car of coal and get half a dozen of his friends to take so much of the car and they will get it practically at the same prices we will, save handling charges altogether. I know because we weigh them out over our scales, the city weigh scales.

Q Who does the teaming for those people?

A Oh, they will get a cartage man to do the teaming.

Q What does the dealer's license call for, then?

A \$5.00, a coal dealer's license.

Q What are the limitations of a coal dealer's license? Put it the other way, don't these people become coal dealers if they -

A No, it doesn't appear so; I think if a man gets in a car of coal he gets it in for himself and he pays for it himself.

Q But if he distributes it among four or five of his friends?

A Well, then, he collects the money; that is all right.

Q Isn't he a coal dealer, or isn't he?

A I should say he was a coal dealer. Wholesale houses have been in the habit of doing it quite a bit in the past, getting it in for their staff.

COMMISSIONER WHEATLEY: Is there any organization amongst yourselves as dealers?

A In Calgary?

Q Yes.

A No, sir.

THE CHAIRMAN: How is the price set from time to time?

A The price of coal?

Q Yes.

Q Now, would you say that it would have to be decided

whether or not it is?

A Yes, because it is a matter of fact.

Q And that is a matter of fact, is it not?

A Yes, it is a matter of fact. It is a matter of fact that

the people of the city will not go to the city with

the people of the city with the people of the city.

Q Now, would you say that the people of the city

will not go to the city with the people of the city?

A Yes, they will not go to the city with the people of the city.

Q Now, would you say that the people of the city

will not go to the city with the people of the city?

A Yes, they will not go to the city with the people of the city.

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Q Now, would you say that the people of the city

will not go to the city with the people of the city?

A Yes, they will not go to the city with the people of the city.

A Well, we just figure on getting around a 2.50 margin. There is no set price, really; you will very often find that price cut 50¢ per ton in town or you will very often find double screened coal sold at the same price as single screen coal.

Q You don't know anything about the volume of this track delivery?

A Oh, I wouldn't care to say as to what volume it is. It is pretty heavy in the early part of the season and, in fact, it has made big inroads into the stocking coal business.

Q Does it have any effect on the price you are able to charge?

A Oh, no, we still hold our own price.

Q Roughly speaking, they would save about 1.50 to 1.60 a ton by that method?

A Well, I don't know that they would save altogether that because they have to take their chances on the weight of their cars and they have to dispose of their forkings as well. I wouldn't say they would save any more than what our profit was.

Q A dollar a ton?

A Around about a dollar a ton, possibly, they would save.

Q We understand what you mean by profit is not net.

A That is gross.

Q We were told in Edmonton that the retailers worked on a closer margin than that.

A Than we do here?

Q Yes, than that figure you have given us.

A I don't think the retailers up in Edmonton have the shed space we have here.

Q No.

A And I know that when I was in Edmonton a lot of the coal used

January 1934

...the first thing we noticed when we stepped out of the car was a cold wind. It was not yet dark, but the sun had set, and the stars were beginning to appear. The air was crisp and clear, and the silence was broken only by the occasional sound of a distant train or the rustle of leaves.

Oh, I wouldn't care to say as to what volume it is. It is pretty heavy in the early part of the season and, in fact, it has made big inroads into the standing cool business.

Does it have any effect on the price you are able to charge? No, no, we still hold our own price.

Justly speaking, they would have about 1.50 to 1.60 a ton. We are not sure.

Will I don't know that you will get a better price because they have to take their chances on the weight of their

and the fact that we have to take our chances on the weight of their

weight? We don't know, but we will try to get a better price.

It is a matter of fact that you mean by profit is not a matter of fact.

That is a matter of fact. It is a matter of fact that you mean by profit is not a matter of fact.

It is a matter of fact that you mean by profit is not a matter of fact.

It is a matter of fact that you mean by profit is not a matter of fact.

It is a matter of fact that you mean by profit is not a matter of fact.

to be hauled direct from the mines, I think, or a big lot of it; they have not got the same overhead to contend with at all.

Q I think that is probably the main difference; I think storage is very rare in Edmonton.

A Well, I never remember any storage to any extent up there at all, in fact, I think hardly any of them had storage. Of course, these coals I have been talking about, it is Drumheller altogether.

Q And what about any other coals you handle?

A Well, we handle steam coal.

Q Yes?

A The steam coal we handle is Hillcrest principally and some Michel. Well, to give you an idea of the costs of Hillcrest, I think the price last winter was about 5.05 per ton.

Q F.O.B. mine?

A F.O.B. mine; \$2.00 freight rate, around 15¢ for unloading.

Q Why is that less than the other, unloading?

A Easier unloaded, and 50¢ for cartage.

Q Why is that?

A Well, the man can take four or five tons in a load; he will take more tons and you have generally got to go to a block; it is a fairly close haul; there is no waiting for their money at all; you have to take a chance on getting your money. He has got to dump it out and come away again. You always get special rates on hauling steam coal. I think that is \$7.70; about the highest price we get for Hillcrest steam coal is 8.10 per ton.

COMMISSIONER WHEATLEY: Have you got their more recent quotations?

...handed direct from the mines, I think, or a big lot of
...I think that is probably the main difference; I think
...Well, I never remember any account to any extent of them
...all, in fact, I think hardly any of them had
...course, these could I have been talking about, it is in the
...

...the price of the winter was about 8.00 per ton.

...I think the price last winter was about 8.00 per ton.

...the price of the winter was about 8.00 per ton.

...the price of the winter was about 8.00 per ton.

...

A From Hillcrest?

Q Yes.

A Yes.

Q What are they?

A I think it is 70¢ less than that.

THE CHAIRMAN: But that 15¢ unloading is only where you put it into storage?

A Yes.

Q Otherwise the 50¢ would take it from the car, if it is not stored?

A Well, you can figure on steam coal - I think we handle about the same percentage as our other coal, about 50 - 50.

Q That is a much narrower margin, isn't it?

A It is no margin at all.

Q How do you explain that?

A Well, I don't know how to explain it at all; you cannot get a price - I heard Mr. Graves say this morning they were paying 7.25 for their mine run coal on the present basis. Well, we couldn't touch that price. There seems to be so much competition in the steam business that you can't get any margin on it at all; it is not worth handling.

Q You said that some of the coal men did other things in the summer time; does your company - - ?

A No, sir. Just keep our yards open.

Q It has been suggested in the seasonal mining that the miner should be a combination miner and farmer; is there any parallel of that kind, the coal dealer could be something else?

A There might be a chance in the ice business if there is any chance of getting into it; I don't see what you can work in with the retail coal business; cartage is all right but the

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1911

1912

1913

I think it is 70% less than that.

1914

Yes.

Otherwise the 80% would take it from the car, it is 10% more.

1915

Well, you are right in saying that - I mean the margin is

the same percentage as our other coal, about 30%.

That is a much narrower margin, isn't it?

It is no margin at all.

How do you explain that?

Well, I don't know how to explain it at all; you know it.

a price - I heard Mr. Graves say this morning they were to pay

the same price as the other coal, and that was the price.

couldn't touch that price. There seems to be no margin at all.

Yes, the same price as the other coal, and that was the price.

It is all right as far as the margin is concerned.

The only way to get the price down is to get the price down.

That is the only way to get the price down.

Yes, that is the only way to get the price down.

It is the only way to get the price down.

That is the only way to get the price down.

Yes, that is the only way to get the price down.

That is the only way to get the price down.

Yes, that is the only way to get the price down.

That is the only way to get the price down.

cartage business is overdone in this town as it is.

Q The effect of that, then, is that the coal season in the winter has to carry -

A Has to carry you over the whole year and it is getting worse every year. Three or four years ago we used to do a large portion of our business around July and August, people putting in their winter supplies of coal. Last fall I don't believe we had more than twenty customers at the outside that put in their winter supply.

Q Have you any explanation of that?

A Well, I think possibly people had not got the money, for one thing; they could not pay for seven or eight tons, and we don't care to carry them altogether.

Q Did you offer them any inducements for summer buying?

A No.

Q Have no inducements ever been offered?

A I think in 1921 inducements were offered to them to put in summer coal - it was '20 or '21 I think we offered them 50¢ per ton off at that time and we did quite a business and by the time January came the price dropped below the summer price and people naturally got sore and they got tired of that kind of thing.

Q Anything else you would like to suggest?

A No; there is hardly anything I can suggest - there is not the money in the retail business in Calgary that people seem to imagine there is. The summer business has gone altogether; people are using electric cookers and gas and wood is a heavy competitor. People can buy wood from the Bau Clair and

concrete business in everyone in this town as it is.

The business of this town is not only to be

winter has to carry -

has to carry you over the whole year and it is really

every year. Three or four years ago we used to be a

in their winter supplies of coal. Last year I don't believe

in their winter supplies of coal. Last year I don't believe

in their winter supplies.

in their winter supplies.

in their winter supplies.

thing; they could not pay for seven or eight tons, and we

we're not in a position to

Did you offer them any inducements for summer

Did you offer them any inducements for summer

Did you offer them any inducements for summer

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Did you offer them any inducements for summer

Alberta Box Company and they find they are letting their coal business go.

COMMISSIONER WHEATLEY: What does wood cost you?

A I think you can get it from the Alberta Box Company at probably \$4. a load, or something of that kind.

Q What do you figure on a load?

A Well, that is ~~their~~ big load of their edgings, the strippings; I think you can buy them for around \$4. a big load.

Q And the average blocks?

A Well, blocks run about \$6.50 per load; but then we could not handle the wood business; we are on the C.P.R. right of way and we cannot handle wood; we are held down to handling coal.

THE CHAIRMAN: You are not allowed to handle wood?

A No, we cannot store wood at all on the C.P.R. right of way.

Q Why is that?

A Well, it is in the lease; it has always been so.

Q What is the reason?

A I couldn't tell you what the reason is.

Q Fire risk?

A Fire risk, I should imagine.

Q Anything else?

A No, I don't think so, Mr. Evans.

Q Thank you, Mr. Tuke.

10/10/1991 10:10:10

A. E. W I L S O N,

Being called as a witness and duly sworn, testified as follows:

THE CHAIRMAN: Your firm name?

A Wilson Coal & Coke, Limited,

Q How long have you been in the coal business?

A Eleven years.

Q Where?

A Calgary.

Q All that time?

A Well, I have been connected, associated with the coal business for that length of time.

Q How long has this Wilson Coal & Coke company been - -

A Two years.

Q I will put the same general statement to you: We were told this morning and we were told elsewhere that the cost of coal to the consumer is too high and there is a popular belief that some of that excess cost is due to the cost of retailing it and we are anxious to understand the condition, if possible.

A Well, I don't think I can enlighten you any more than Mr. Tuke did on the subject; I think possibly the public are not familiar with the operation of the coal business and that is possibly the reason they come to that conclusion.

Q Do you think anything could be worked out to cheapen retailing?

A Only larger tonnage and possibly coal handling equipment, if the tonnage was available to do that.

Q Have you any idea what could be saved?

A Well, it is a matter of small savings to make a large saving;

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it is not a matter of a large saving on any particular branch of the business; it is a combination of small savings, such as two cents here and five cents there, and so on; that would be on your overhead expenses, the unloading of coal, your better facilities of handling your breakage and your forkings, as the case may be, and various items like that; so that it is very hard to give you a definite figure as to what that saving would amount to, but I think if I had the tonnage I could save possibly forty cents a ton on my coal, if I had the tonnage to warrant the expense of putting in coal handling equipment, unloading devices, &c.

Q What would the biggest dealer handle?

A Well, that depends on whether you figure on the coal being handled through the yard or the total coal that would come into the city, including carload lots.

Q Well, I mean each dealer. I am trying to get what the business of one dealer is.

A I would say approximately 75,000 tons would be a fair average of the coals, mostly domestic and some bituminous coals.

Q That is not handled by any one dealer?

A Oh, no.

Q I mean, what does one dealer handle?

A I couldn't tell you that.

Q You have no idea what their business would run?

A No.

Q I thought you might know pretty well among yourselves that
so-and-so - -

A No, you could only secure that by getting the various dealers here and giving their own tonnage.

Q Well, your estimate is that thirty dealers total 75,000 tons business?

A Well, there is approximately thirty but there is a lot of them that don't handle thirty cars in a season; they are what we call snowbirds, they are not out - they get a little office and scales and comply with the coal dealers' requirements but they are in in the fall and out in the spring and the rest of us have to carry the burden; their taxes are very small, they have no large shed capacity.

Q Well, for a thousand tons of coal can a man afford to maintain a coal business?

A No, he cannot, it is just a matter of a meal ticket; that is mostly the case, and sometimes the mines extend a little more confidence in these men than they are warranted to do and possibly the mine pays for the man's meal ticket at the end of the season.

Q What would you say the minimum cost was of complying with the licensing by-law?

A I would say possibly \$500. or less.

Q Will do what is necessary?

A Yes, they can buy a pit scale, perhaps a second-hand pit scale for \$150. and put up a little shack; it is not an expensive operation.

Q Have you any suggestion to make along the line of that licensing by-law?

A I think the licensing by-law should be increased. As a fuel dealer I would be quite willing to pay the City of Calgary \$250. a year license for the protection that the \$250. license

would give me in the business because there are many of them in it that could not, I don't think, or would not, for the period that they are in the business, pay a license of that kind.

COMMISSIONER WHEATLEY: Would a combination of larger dealers not bring the same protection?

A Absolutely not; you could not, because if you started in on that line of a combination you are forming a monopoly; you are working possibly along the lines of restraint of trade and that is against the law; that could not be very well organized.

Q Well, it is assumed that you sell a cheaper article?

A Well, that might be but there is no one combination of dealers, and more than that, they could not agree; they would be fighting among themselves; I don't know just what your object is, to have one central office and have all orders come in there?

Q Something similar to the one in Winnipeg?

A I didn't know they had one there.

Q They have an association there.

A Well, an association of dealers, possibly; that is not from the standpoint of one outfit running the total business of a bunch of the dealers; that is more to discuss matters on coal and the various questions that enter into it from time to time.

Q Could it not culminate in something like that?

A Well, there is an association of dealers and of operators and there is an association of the miners, and so on, but -

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Q You have no association of dealers here?

A We have no association of dealers here, no.

Q Well, will that account for some of the chaos?

A Well, possibly it does although most of them are inclined to sell their bit of coal as cheap as they can and a quite a number of them are not interested in making a profit on their coal so we cannot very well say anything to them.

THE CHAIRMAN: What do you mean by that?

A Well, they ^{are a} class of men as a rule that, as I say, are in it for the winter months and they get their teaming - possibly some of them have a truck and they are quite satisfied to get a dollar cartage out of it and what they can get over and above it, they may figure it as a salary or income.

Q Do you think the consumer benefits by their competition?

A He does, yes. I think the consumers in this town are buying coal cheaper to-day than they should buy it - I don't think that the public have any kick to-day on the price they are paying for their coal, that is, providing they take into consideration the quality of the fuel they buy but, unfortunately, the coal business, not only here but elsewhere, is run on a price basis; quality of the product is not taken into consideration at all, for some reason or other, we cannot understand why, coal is purchased, just one coal because it is 25¢ a ton less than the other, but they don't buy their eggs and butter and cheese on that basis; they pay their price for the quality foods and if they would pay the price for their quality fuels they would eliminate a lot of their own griefs, not only here but all through the

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We have no association of business with, no.
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Q Just enlarge on that. In what way would they exercise that?

A Well, Mr. Chairman, with all due respect to the public, the ignorance of the public in connection with fuel, I would safely state, is greater than on any other product that they use or necessity of life and when they order a ton of coal they ask the dealer, send us a ton or so-and-so coal; they have no idea as to what the quality of that coal is, whether it is a lignite coal with 40% ash or whatever it ~~is~~ might have in it or what they are getting; therefore, if they get an inferior coal at some of these cheap prices, they blame the coal dealer and say this ton of coal is no good, it won't burn, and so on.

Q Well, why don't you advise them?

A Well, we do but it is a hard proposition.

Q Doesn't time work that out?

A I don't know, there is quite a lot ~~at~~ to blame the coal dealers for themselves because they are not familiar with it; unfortunately, the class of men that are on the coal business, only not here particularly but generally speaking all over Western Canada, a large percentage of the business is handled by the line companies, that is elevator companies, lumber yards; they may know the grain business and the lumber business, but they are not sufficiently acquainted with coals to advise the people that they are selling the product to.

Q This cost of retailing is what the people see looming very large as compared with the other costs all along the line.

Just enlarge on that. In what way would they contribute

One suggestion you make is if you had sufficient tonnage to introduce various economies there could be quite a saving there?

A Yes, there could.

Q Have you any suggestions as to how that tonnage could be secured?

A Well, that is a pretty difficult question; we are trying to secure all the tonnage we can.

Q Individually, but I mean any scheme? Mr. Wheatley has in mind ~~of~~ co-operative production at the mines, or co-operative marketing.

A No. Increased coal users, the elimination of gas, and these things, would help the coal business in this city.

Q But you haven't anything in your mind to recommend along the line of combinations to -

A No, I think that has got to be fought out by the dealer himself.

COMMISSIONER WHEATLEY: Isn't an organization just as essential to him? ~~small is a very small~~

A- Well, an organization working along the proper lines, intelligent lines, would be, no doubt, a good thing to have, in fact, I think if the coal dealers themselves were to get together and discuss their various problems and have a little more confidence in each other, but why it is, I don't understand, the coal dealers don't seem to have the confidence in each other that other lines of trade have.

Q You refer to the very low margin that you get from the sale of your coal and still the previous witness inferred people were getting carloads of coal of their own through being

One suggestion you make is if you had anticipated tonight
to introduce various speeches to be made at night

having thereby

have you any suggestions as to how that tonight could be

Well, that is a pretty difficult question; we are going
to secure all the tonight we can.

Individually, but I mean any scheme, any plan, any
a co-operative production at the minute, or co-operative

the same time, and I think it is a very good idea to have
the same time, and I think it is a very good idea to have

No, I think that has got to be fought out by the people
the line of combination to -

himself.

WHY? I am not an organization just as a matter of

that, an organization is a thing that is made up of

it is a thing that is made up of people, and it is a thing

it is a thing that is made up of people, and it is a thing

it is a thing that is made up of people, and it is a thing

it is a thing that is made up of people, and it is a thing

able to join together?

A Well, that is a fact; there is no question about that. The public are not familiar with the overhead expenses. They take the mine price; they are able to secure that; they find out the freight and they say, Why, the dealer is making so much money, but they don't figure we are in the business to protect him and serve him during the winter and summer months and we are a necessity in the operation of that man's life, you might say, that is, we are here to protect him, and when the snow storms blow and the railroads are tied up, the public expect us to have the coal there to protect them from freezing.

Q You are protecting him but I don't see where you are protecting yourselves.

A Well, we have to protect ourselves, that is only common sense that we would.

Q As individuals, yes.

THE CHAIRMAN: What about the feature of credit, bad debts?

A Well, credit is a very difficult matter, of course, to handle; we have different ways of securing information as to our credits; there are facilities here that can be used. Personally, in operating our own company, we turn the business down rather than extend credit.

Q Is the element of costs due to bad debts/ ^{large} in your case?
that

A Well, that is only a matter ^{that} with each individual concern could answer, Mr. Chairman; with us it is not.

Q A good many lines of merchandising have cut the margin between the producer and consumer by going on an all cash basis.

...to join together

...that is a fact; there is no doubt about that.

...and they are able to secure that; that

...and they say, "Yes, the people in the

...ing so much money, but they don't figure we are in the business

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- A Yes?
- Q Would that be possible in the coal business?
- A We have done that, in fact, where people have asked for credit for household fuel- of course, when you are handling bituminous coal for blocks, and so forth, you have to do that on a thirty day basis; but we have offered people, rather than put their account on our books, fifty cents a ton; it is worth that to us to get the money.
- Q Does every cash customer get it at 50¢ less?
- A No, every cash customer doesn't but, rather than put it on, in the isolated cases where a customer calls up and wants credit, why, if he hasn't got the money we prefer to have him go out and borrow the money from his friends and will give him the 50¢ discount and would rather do that than give him credit and have to send a collector to get it.
- Q Do you think the rest of your customers would be very happy about that?
- A Well, that is in the isolated case. We discourage credit business.
- Q A good many lines of merchandising save expense by the cash in advance system, practically; could the coal business of Calgary be handled in that way?
- A I would say it could, I think if the coal business was put on all on a basis, say, here ~~we~~/C.O.D. orders our price is 8.75 per ton and if you want it charged it is 9.25; I think it would have a very good effect if the dealers handling coal would all work on the same policy.

Q In answer to a similar question in Winnipeg the dealers said there were quite a number of people who could not pay cash for the fuel which they must have and in time they are able to pay for it.

A Well, that is true, possibly, but in most cases where men are working they usually get paid twice a month; the big railroads pay twice a month and I think most of the industries pay twice a month, and most of the coal business is done at those times, that is, there is more tonnage, the dealer has better business around after the 15th and 30th than during the intervening times.

Q As compared with the cost since you have been in business here, is there any change in the credit feature of the coal business within the eleven years you have been here?

A No; that is left entirely to the dealer; he uses his own judgment in respect to who he gives credit and so on.

Q But you wouldn't say, broadly speaking, it was working towards or away from a cash business?

A No.

Q Just about the same?

A Just about the same.

Q You have no practical scheme worked out to increase tonnage -

A No, I haven't given it consideration from that standpoint; that is a very difficult question to answer.

Q The public do see this retailing cost as an excessive item in the chain.

A Well, if it was a ten months' business or last longer than

it does, it would be easy but we have to keep overheads during the summer months and we have to pay taxes, to pay our business tax and all these items that have got to be taken care of, insurance, rental, &c. for twelve months of the year, and I think I am safe in making the statement that if the total profits made by the coal dealers of Calgary were put together all in one lump sum that nobody would get rich at it very fast. I don't see how people can purchase their coal cheaper than they are at the present time unless something from the production end, the mines are able to sell it cheaper or the railroads haul it cheaper, or something of that sort; that is entirely in their hands; I don't see how the dealer, even if the coal came down at the mine a dollar a ton even, the dealer could not possibly sell his coal on any less overhead margin than he is working on now except pass the dollar along to the consumer.

Q The elimination of all of these snow bird dealers -

A Would make better business for the regular dealer, that is in the business twelve months in the year.

Q How much of a saving could you hand on to your customers?

A That would depend entirely on the increased tonnage we would have.

Q Do you think that the whole of this so-called snow bird dealers put together handle a tonnage that would have any effect on the tonnage of the dealers divided up among them?

A Yes, I would say they would; I think it would mean possibly the difference between red and black figures on the books of many of the companies.

it doesn't, it would be easy for us to have to keep everything

Q In some other lines of merchandising the dealer is protected by the wholesaler and jobber.

A Well, if course, that would be a very nice thing to have in the coal business but, owing to the large number of mines and the small mines and so on that there are - it isn't so much the large mines that are the offenders, but the small mines come in and they sell it to their friends; sometimes they are a little hard up and they sacrifice it; it all detracts from the rest of us. It is a very hard thing to control, too. If the large mines, handling their coal and through the wholesalers would protect their dealers, it would be a very nice thing to have, that the coal could not be purchased only through the regular channels would be also very desirable.

Q And you would hand the saving on to the consumer?

A Yes, but I think a consumer is entitled to pay a reasonable price for his coal; I don't think the householder is entitled to buy his coal at costs at the mines. He cannot buy his groceries or any other necessity of life that way; you cannot go to a wholesale grocery and buy his stuff and put the retailer out of business and yet he happens to be able to do it in the coal business.

Q Have you any other practical suggestion to make?

A No, I haven't, Mr. Chairman; I am sure I would be glad to answer any more questions you have.

COMMISSIONER WHEATLEY: How much coke do you dispose of in this town?

A We disposed - oh, it is increasing each year- we started two years ago and I'd say possibly during the past season

In some other lines of manufacturing the demand is controlled by the market and labor.

It is a fact that in some cases the demand is controlled by the market and labor.

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And you would have the saving on to the consumer? Yes, but I think a consumer is entitled to pay a reasonable

price for his coal; I don't think the householders in this country are entitled to pay a reasonable

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price for his coal; I don't think the householders in this country are entitled to pay a reasonable

around 400 tons.

THE CHAIRMAN: What is that for?

A That is for domestic use.

Q Where do you get the coke from?

A From Fernie.

Q Oh, they are making coke again?

A They are making coke down there, yes; we crush it and size it and sell it in the same sizes as the hard coal.

Q Fernie or Michel?

A Well, we are getting our sized coke from Michel.

COMM Q What does that sell for?

A For 14.50 in the summer months and 15.50 in the winter months.

COMMISSIONER WHATELEY: Is there much demand for it?

A No, it is a product that you have to educate the public to use and the merits of it; it is a product that is coming into prominence as people begin to realize what the value of the fuel from a domestic standpoint -

Q Do they use it in the furnaces or cooking stoves?

A Furnaces, hot water and hot air.

Q Furnaces only?

A Yes, it is all right for their ranges once they understand the operating of it.

THE CHAIRMAN: That is quite an interesting comparison. You are selling coke at 15.50 against the Drumheller coal at 8.75?

A Yes.

Q In Winnipeg they are selling coke at 15.00 against Drumheller at 12.50.

Q. What is that for?

A. That is for domestic use.

Q. Where do you get the coke from?

A. From Fernie.

Q. Oh, they are making coke again?

A. They are making coke down there, yes; we cannot do that
else it and sell it in the same place as the hard coal.

Q. Well, is it?

A. Well, we are getting our mixed coke from Fernie.

Q. What does that sell for?

A. For 14.50 in the summer months and 15.00 in the winter.

Q. What is that demand for it?

A. No, it is a product that you have to consume the fuel in the

... as people begin to realize that the value

... is only

... it is all right for their wages once they are

A Well, they have better advantage than we have, they are favored; we have to sell it - they get the top quality when we sell coke at those prices.

COMMISSIONER WHEATLEY; Do you feel you have a growing market on that?

A Yes.

Q They are return customers more than experimental customers?

A Oh, we have customers you could not sell coal to now at all; once they become educated to the burning of the coke, both from handling their fires and the less attention to their fires and the heating qualities of the coke, steadiness of the heat, and so on -

AIRMAN: As to
Q /Comparison in values, how does that work out in practical fuel tests? You know, I suppose?

A Well, it depends a great deal on the operation of the furnace by the man that is operating it, what he gets out of it; it is not so much heat in the coal or coke on how it is operated and what per entage he can get the benefit from and in some cases we have people that say that coke has no advantages over coal and others stated they would rather burn a ton of ~~knix~~ coke than two tons of coal.

Q That is very nearly what they are doing; they are paying 15.50 as against 8.75?

A Yes.
COMMISSIONER WHEATLEY:

Q It is spoken of as a potential market in this section of the world, too; it doesn't seem to be.

A Well, the Saskatchewan market affords a larger opportunity for coke than Alberta because in this particular district the mines are so close together; the mines are close to the

A Well, they have better advantages than we have, they are
favored; we have to sell it - they get the top quality

QUESTIONER: Why? Do you feel you have a growing market in coal?

A Yes.

A Oh, we have customers you could not sell coal to now at all;
once they become educated to the burning of the coal, they
from handling their fires and the less objection to their
fires and the heating qualities of the coal, abundance of
the heat, and so on -
An to
superior in value, how does that work out in practice
that tastes you know, I suppose

Well, it depends a great deal on the operation of the
business by the man that is operating it, what he gets out
of it; it is not so much heat in the coal or coke or how
it is operated and what you get out of the business
and in some cases we have people that say that coal
has no advantages over coal and others assert they would
rather use a low quality coal than the high quality coal
that we have, and that is the case in many places.

Well, the question is, is it a question of the quality of the coal
or is it a question of the quantity of the coal? I think it is
a question of the quantity of the coal, and that is the reason
why we have to sell it - they get the top quality

most of the larger cities and they have the gas in the larger cities, too, but in the Province of Saskatchewan where there is a considerable tonnage of American hard coal still used, why, the coke - I think the market for coke there is every opportunity of it extending extensively.

Q How much are they making at Fernie these days of domestic coke?

A Well, the summer business is not very great. Last year we were tied up on the strike but we possibly figure on 400 to 450 carloads of coke between now and the 31st December for domestic use and mostly in Saskatchewan.

THE CHAIRMAN: Are you handling their coke through Saskatchewan?

A Yes.

Q What price do you have to pay for that at the ovens?

A Well, that varies; we have a summer price and a winter price. The summer price at the ovens would be \$10. and the winter price is 10.50. The difference in the price is to try to induce the dealers and those handling coke to take it in the summer months; it was a year ago 12.50.

Q ~~It is out down?~~ It has come down?

A It has come down, yes.

Q When did this reduction take place?

A That has taken place since the new settlement of the (wages?).

Q Any chance of coke coming down in price from those figures?

A I hardly think so; I am not prepared to speak there but the volume of tonnage, that is a big question, ^{which} enters into the production of coke, overhead and labor charges.

Q There is a market for the by-products, too?

most of the larger cities and they have the sea in the
larger cities, too, but in the Province of Newfoundland
there is every opportunity of it even along the coast.

Well, the business is not very great. I don't know
of the business in the Province of Newfoundland
but I know of the business in the Province of Newfoundland.

What price do you have to pay for the goods?
Well, that varies; we have a summer price and a winter
price. The summer price of the goods would be \$10. and
the winter price is \$10.50. The difference in the price is
to try to induce the dealers and those buying goods to
buy it in the summer months; it was a year ago \$10.50.

17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000-1001-1002-1003-1004-1005-1006-1007-1008-1009-1010-1011-1012-1013-1014-1015-1016-1017-1018-1019-1020-1021-1022-1023-1024-1025-1026-1027-1028-1029-1030-1031-1032-1033-1034-1035-1036-1037-1038-1039-1040-1041-1042-1043-1044-1045-1046-1047-1048-1049-1050-1051-1052-1053-1054-1055-1056-1057-1058-1059-1060-1061-1062-1063-1064-1065-1066-1067-1068-1069-1070-1071-1072-1073-1074-1075-1076-1077-1078-1079-1080-1081-1082-1083-1084-1085-1086-1087-1088-1089-1090-1091-1092-1093-1094-1095-1096-1097-1098-1099-1100-1101-1102-1103-1104-1105-1106-1107-1108-1109-1110-1111-1112-1113-1114-1115-1116-1117-1118-1119-1120-1121-1122-1123-1124-1125-1126-1127-1128-1129-1130-1131-1132-1133-1134-1135-1136-1137-1138-1139-1140-1141-1142-1143-1144-1145-1146-1147-1148-1149-1150-1151-1152-1153-1154-1155-1156-1157-1158-1159-1160-1161-1162-1163-1164-1165-1166-1167-1168-1169-1170-1171-1172-1173-1174-1175-1176-1177-1178-1179-1180-1181-1182-1183-1184-1185-1186-1187-1188-1189-1190-1191-1192-1193-1194-1195-1196-1197-1198-1199-1200-1201-1202-1203-1204-1205-1206-1207-1208-1209-1210-1211-1212-1213-1214-1215-1216-1217-1218-1219-1220-1221-1222-1223-1224-1225-1226-1227-1228-1229-1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A Well, the by-products - the process that this coke is made , there are no by-products . We make it in a bee-hive coke oven and the gases are lost.

Q The gas is absolutely lost?

A They are lost because there is no market in Western Canada to warrant the expenditure of putting in the by-product ovens; that would make the ^{different} by-products.

COMMISSIONER WHEATLEY: Is this coke that you mean better ^{than} by carbonization through the Koppers coke?

A It is made in a different process, in this coke; we figure it is a superior product to that as we make a coke for the coke itself; whereas, on the other hand, the gas is taken out; the gas is the principal part with the process of elimination of the by-products, etc.

Q You content this is a better coke than the Koppers?

A Yes; we do. Whether the Koppers people would agree with that statement or not, I don't know.

Q Well, your analysis of carbon in it and its lasting qualities -

A Our carbon runs around 80 to 85 per cent., some of it in excess of that.

Q And do you know what Koppers is?

A I couldn't say.

THE CHAIRMAN: I suppose it would depend on what coal they started with?

COMMISSIONER WHEATLEY: Yes, but in the distillation process, what takes place?

A Well, in the distillation, by making gas, they use a certain amount of carbon to carbonize the gas, with the result the carbon would be less; that also applies in the straight gas house coke where it is a spongy porous product; and another

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there are no by-products. We make it a by-product of

gas and the gases are lost.

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thing, a coke must be made from a very high grade fuel, low in ash and low in sulphur. There is one item - I was here this morning and I heard some statements made and that is in connection with the small coals that are spoken of as slack coals from Drumheller. I would like to make a statement in that connection that those coals are sold according to supply and demand of the market and that in many instances the consumers that are using those classes of coals, they make no provision ^{to} /take in their storage when the coal is available and in many cases the users or consumers and steam power plant purchasers go to the mines and are quite willing to pay the higher price when the commodity is scarce; but if these consumers would be in the market to contract I would be quite willing, as a dealer and representing some of the mines, to contract with them on a twelve months' supply.

The mines co-operate in every way with us providing we arrange to give them a certain amount of protection and take some of the coal when it is available but it is unreasonable for them to expect to get coal that has any merit at all for 15 and 25 or 35¢ a ton, in fact, I think that anybody that gets coal for anything less than \$1.00 to \$1.50 is getting it given to them.

COMMISSIONER WHEATLEY: You are quite right, Mr. Wilson. There is a cost of handling, 70¢.?

A

Yes.

THE CHAIRMAN: If you contracted for a certain steady supply of those coals you would have to be careful you did not exceed your summer minimum?

thing, a coke must be made from a very high grade coal.

low in ash and low in sulphur. There is one item - I

am not sure about - I am not sure about the

that is in connection with the small coal that is

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at all times available from the mines.

A We contract here----- in the first of March we contracted with the City of Calgary for 2000 tons of that class of coal. We have fulfilled our contract. We put up a bond with the City to protect them against loss and we made our deliveries.

Q How about the summer slack season?

A Well, if it was worked out on a basis that there was some inducement to the mine, the mine would make provision to possibly carry a certain amount of that coal in the mines that would be available for hoisting in the summer months or during some period when they would be doing other operating, but they cannot get that kind of protection for 25 and 35¢ a ton.

Q Because we were told this morning if the domestic market for nut coal increases there will be lots of this slack.

A The trouble is when the domestic coal market is on there is a surplus of this ^{slack} coal, that is the time for these firms to have arrangements made to take it.

Q There is actually a surplus?

A There is a surplus ~~at~~ once or possibly twice in the season that most of those firms don't know what to do with it but it is for a short period and it is then they should make arrangements to buy the surplus coal to protect them during the quiet months.

Q Have you any idea of the cost of putting that coal in and out of storage?

A Yes.

Q What is your estimate?

in the first place we considered
with the City to protect them against loss and we made one
coal. We have fulfilled our contract. We put up a house
with the City to protect them against loss and we made one

tell. It was worked out on a basis that there was no
infringement to the mine, the mine would have no
possibly carry a certain amount of that coal in the mine
that would be available for hoisting in the same manner
or during some period when they would be doing other work
say, but they cannot get that kind of protection for 25 and
100 a ton.

because we were told this morning if the domestic market for
but coal increases there will be loss of this coal.

The trouble is when the domestic coal market is so tight is
a surplus of coal, that is the time for them to go to
the market to get coal.

There is a surplus of coal.

There is a surplus of coal.

There is a surplus of coal.

There is a surplus of coal.

There is a surplus of coal.

There is a surplus of coal.

A Well, of course, in handling any large tonnage of it the only way would be to have ^a coal handling device such as belt unloaders and belt conveyers. The cost would be from eight hundred to a thousand dollars f.o.b. Calgary; that will handle a ton a minute if it can be put on. I think that could be rehandled outside of shrinkage that might be lost through loss of moisture on that class of coal, the unloading and picking up of it could be possibly done from 22 to 35¢ a ton, if not less.

Q Yes, but this morning we have -

A I heard that 70¢. It means this, that their storage piles are back from their railroad spur and they may have to have a team to unload the coal and carry it over and dump it and have a team to take it over to the boiler room when they are ready to use it. There are some places of that kind where there has been no provision made for storage.

Q They would have to allow interest but that would not amount to very much?

A It wouldn't amount to much.

Q That strikes me as a little low figure to achieve in practice.

A What?

Q 25¢ a ton.

A Well, we are doing it right here now.

Q 25¢?

A Yes, we are picking it up for - coal we unload on to the ground, we charge the purchaser 25¢ more; that is all we are working on at the present time and we are protecting one of the large hospitals of the city here on a contract of that kind.

... in handling any large quantity of it is the

only way would be to have coal handling facilities such as

belt conveyors and belt elevators. The cost would be from

about \$100,000 to \$200,000, depending on the quantity of coal

will handle a ton a minute if it can be done. I think

that this is a very large quantity of coal, and it is

lost through loss of moisture on that class of coal, the

unloading and piling up of it could be so easily done that

as to \$50 a ton, it not lose.

Yes, but this morning we have -

I heard that \$50. It means this, that their expense after

are back from their retired work and they may have to have

a team to unload the coal and carry it over and down it and

have a team to take it over to the boiler room where they are

ready to use it. There are some places of that kind where

there has been no provision made for storage.

They would have to allow interest but that would not amount

to very much?

It would be very small.

That is all right, but it is a little bit of a nuisance.

That is all right.

That is all right.

That is all right.

That is all right.

That is all right.

That is all right.

That is all right.

That is all right.

COMMISSIONER WHEATLEY: What is the lowest you know of handling coal?

A per ton?

Q Yes.

A With coal handling equipment you can handle it from 5 to 7¢.

THE CHAIRMAN: That would be one solution for the seasonal fluctuation, wouldn't it?

A Yes; that is what we have been doing; we have been doing it the last years, putting in a stock of coal to protect our users.

Q This is the slack coal you are talking about?

A This is the small slack. We only have one or two contracts on that and that is the logical way for it to be done, if it is put in at the proper season of the year and put in in a proper manner they can reduce the possibilities of loss to a great extent from fire or spontaneous combustion.

Q Any suggestion as to summer storage by the consumers generally of domestic coal?

A You would have to make an inducement to the consumers to do that. That would have to be a matter of co-operation between consumers, perhaps the railroads, and the operators. But, owing to the fact there is no scarcity of coal and the ability of the mines if they can take care of their demands almost in the ~~worst~~ most severe conditions, there is really no inducement unless it was on a price inducement that would make the users take the coal in the summer.

Q From your experience would you estimate how much differential there would have to be to induce any large quantity of summer storage?

QUESTIONS AND ANSWERS: That is the reason for the...

A Not very

Q Yes

A With coal handling equipment you can handle it when it is...

THE CHAIRMAN: That would be one solution for the seasonal fluctuations.

Witness:

A Yes that is one way to handle it...

the last years, putting in a stock of coal to use...

Witness:

This is the same coal you are talking about?

This is the same coal. We only have one or two...

on that and that is the logical way for it to be done, it is

is put in at the proper season of the year and...

proper manner they can reduce the possibilities of loss to

...

...

Generally of domestic coal?

...

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...

A Well, I'd say possibly graduate it, start it with a dollar and work it down.

Q If that seemed to be an answer for the summer drop in volume production and you were going to recommend it, do you think a recommendation of a dollar cheaper in the summer time would produce an extensive amount of business?

A I think it would help some; I think it would.

COMMISSIONER DRINNAN: But you have already told us, if you have a mild winter and the winter price of coal drops, then the fellow who bought this coal in the summer time gets sore.

A Of course, that was under exceptional conditions at that time and the coals were all at their peak and it was in the hands of Mr. Armstrong, who was looking after the operation of the mines at that time; that was taken off and things began to tumble; that was an unfortunate experience; that possibly did do the stocking of coal some damage.

Q It could happen again, though?

A I don't think that is possible to happen; I don't think there is enough margin on any end of it to allow that to take place at the present time.

THE CHAIRMAN: Any other general suggestions you can give us?

A No. I will be glad to answer any further questions.

Q We appreciate your coming. Thank you very much.

GEORGE B. SAUNDERS:

Would you care for an analysis of American coke?

THE CHAIRMAN: Yes, please.

A An average on 25 samples -

Q What coke is that?

A Minneapolis. 90.6 carbon, 8% ash, 1.4 volatile, .65 sulphur.

Q What is that?

A Sulphur is not added in that. Minneapolis Twin City Kopers Coke.

Q An analysis of how many samples?

A That is 25 samples, that is their figures but that is not far wrong. Mr. Blackie, analyst of the City of Winnipeg, gives them an analysis of 12500 to 13000 heat units, B.T.U.'s.

Q You put that in as a contradiction to the suggestion that perhaps this other coke is better?

A Yes, merely showing what you are up against with your Drumheller.

THE CHAIRMAN: Have you got the full analysis of your coke, Mr. Wilson:

MR. SAUNDERS: I think I have that, too, if Mr. Wilson hasn't.

COMMISSIONER WHEATLEY: I haven't got the complete analysis; I have approximate figures.

MR. SAUNDERS: I have one analysis on Fernie, giving Volatile 2.57, carbon 89.48 and ash 7.95.

THE CHAIRMAN: You haven't got the B.T.U.'s of it?

A No.

COMMISSIONER IRINNAN: I don't think Mr. Wilson would care to guarantee that analysis.

A. But metallurgical coke, we will guarantee you 7½% ash content.

THE CHAIRMAN: If there is no one else who can give us any more information before we go to Drumheller we will adjourn.

ADJOURNED AT 3:30 P.M.

Minnesota. 20.0 carbon, 1.4 volatile. 22

Minnesota. 20.0 carbon, 1.4 volatile. 22

Minnesota. 20.0 carbon, 1.4 volatile. 22

Minnesota. 20.0 carbon, 1.4 volatile. 22

Minnesota. 20.0 carbon, 1.4 volatile. 22

Minnesota. 20.0 carbon, 1.4 volatile. 22

Minnesota. 20.0 carbon, 1.4 volatile. 22

Minnesota. 20.0 carbon, 1.4 volatile. 22

THE CHAIRMAN: Have you got the full analysis of your case?

ANSWER: I think I have that, too, 12 in. Wilson brand.

THE CHAIRMAN: I haven't got the complete analysis; I

have only the 12 in. Wilson brand.

ANSWER: I have one analysis on Remick, giving Volatile 2.0

Carbon 20.0 and ash 7.95.

THE CHAIRMAN: You haven't got the B.T.U.'s of it?

ANSWER: I don't know. I don't know what the B.T.U.'s are.

THE CHAIRMAN: You haven't got the B.T.U.'s of it?

ANSWER: I don't know. I don't know what the B.T.U.'s are.

THE CHAIRMAN: You haven't got the B.T.U.'s of it?

ANSWER: I don't know. I don't know what the B.T.U.'s are.

THE CHAIRMAN: You haven't got the B.T.U.'s of it?

ALBERTA COAL COMMISSION

The Third Session was held at the Court House, Drumheller, Alberta, commencing Thursday, May 14th, 1925, at 10 o'clock, A. M.

All the members of the Commission were present.

J E S S E G O U G E ,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your various business connections, Mr. Gouge, in relation to coal?

A Coal mine operator and general manager of Northwestern Fuel Supply Company and president of the Newcastle Coal Company.

Q How long have you been interested in coal mining in this section?

A Since 1911, fourteen years.

Q In the Drumheller field?

A Drumheller.

Q One of the things that we are supposed to look into is the question of the coal resources and reserves in the province, and Dr. Allan of the University of Alberta has made an estimate for us of the extent of the coal deposits in the various localities and I would like to get your views on the estimate for Drumheller. You are probably aware^{of} the limits of the Drumheller field?

A Yes, I know something of the limits of this field but - -

Q The Drumheller coal area as defined by the Department is shown on that map towards the bottom left hand corner.

EXHIBIT A-1

The following is a list of the names of the persons who have been members of the Committee since its organization in 1917.

A. M.

All the members of the Committee were present.

1898 1899

THE FOLLOWING IS A LIST OF THE NAMES OF THE PERSONS WHO HAVE BEEN MEMBERS OF THE COMMITTEE SINCE ITS ORGANIZATION IN 1917.

1. The following is a list of the names of the persons who have been members of the Committee since its organization in 1917.

2. How long have you been interested in such work in this

3. The following is a list of the names of the persons who have been members of the Committee since its organization in 1917.

4. The following is a list of the names of the persons who have been members of the Committee since its organization in 1917.

5. The following is a list of the names of the persons who have been members of the Committee since its organization in 1917.

A Well, Mr. Commissioner, I don't think I would be competent or qualified to make any estimates upon the supply of coal even in the Drumheller field and I am quite certain that any estimates that even a geologist might make, with all the qualifications of Dr. Allan, which I freely admit, would be more or less estimates based upon theory and not upon known facts. There is nobody can see into the ground and our experience here is that the coal seams vary and change very quickly and sometimes where the seam is good and of a commercial thickness at one point, within half a mile from there it will change until it is almost worthless or thin down to a point where it cannot be operated successfully; so that, to undertake to make an estimate of the coal in this field or any other, except so far as it is known is big speculation. We know that the coal area here extends from the Kneehill Creek at least in a south-easterly direction to a few miles beyond Willow Creek or a distance of about sixteen or eighteen miles up and down the river. In that area the coal is exposed. How far the coal extends back from the river is not known.

Q How far back has it been proved by mining operations, that you are aware of?

A Not beyond a mile, I don't think at any point has the operations extended back from the river - well, up the Michichi Creek it might be a little farther than that but that was an upper seam, that was worked more than a mile from the river up the Michichi Creek, called the Brooks mine. The lower measures here, though, have never been worked but

inside a mile from the river.

Q Dr. Allan has estimated, counting seams over 2 feet thick and within 1000 feet of the surface on 20 feet aggregate of coal seams under this formation here. How does that appear to you?

A Well, it appears to me a little bit extravagant; it would be an extravagant estimate because there is possibly 20 feet of coal seams but we would not call a 2-foot seam a commercial seam.

Q No, of course, that is his definition; he has taken from 2 feet up. But go ahead. What was the limit you would consider a commercial seam.

A Not under $3\frac{1}{2}$ in this field is regarded as a commercial seam. There may be a time when seams smaller than that will be worked here but considering all the conditions, why, I very much doubt it.

Q Well, what thickness could you estimate of workable coal in a proven area, according to your knowledge?

A Well, there is possibly three seams here that are workable; one, I think he calls it the No.3, between No.5 and No.1, that seam has a thickness at a great many places of $3\frac{1}{2}$ feet. I don't know any place where it exceeds $3\frac{1}{2}$ feet; and we have always regarded that seam as a possible seam that would be eventually worked out. Everything else is below $3\frac{1}{2}$ here and is not considered, The No.3 seam, the No.5 and the No.1, those three seams contain, where they are workable at all, perhaps fourteen, fifteen feet of coal altogether.

Q Is it possible to work those out under the same area?

- A Well, it would be if the top measures were worked first.
- Q Is that being done?
- A No, not in all cases.
- Q I think it is the No.2 seam that he calls that - -
- A Intermediate? I thought it was No.3.
- Q No, the No.3 seam is only one foot, I think it is the No.2 seam he gives as three feet.
- A Well, it has a thickness at places a little in excess of that; some places it may be less than that. I think the recent shaft sunk at the Mid-West mine, it is only 30 inches.
- Q Then you would limit the area, that your present knowledge would ---
- A No, I don't want it to be understood as saying I would dispute his statement of the area it may be that but it is merely a speculative estimate.
- Q It is put forward, of course, as such in the estimates, but the absolutely proven area by mining operations you would be inclined to put down as something like sixteen or eighteen miles by one mile?
- A Yes, that is as much as you can say has been proved and much of that sixteen or eighteen miles does not contain commercial seams in even these proven seams, they thin down in a good many places where they are below profitable working, and some places they have interruptions of dirt bands and rock that spoil the coal to such an extent that they are not commercial. So that, all that sixteen miles, while the coal seams are there and easily traced, you could not start a mine at any point along that sixteen miles.
- Q The statement has been made that one of the reasons why

March 1900

... it would be in the top position with regard to...

... the top position...

... the top position...

I think it is the No. 2 room that he could do it -

... I think it is the No. 2 room...

No, the No. 2 room is only one foot, I think it is...

... he gives us three feet.

Well, it has a thickness of places a little in excess of...

... some places it may be less than that. I think the...

... about half an inch at the mid-west end, it is only 1/2 inch...

Then you would limit the area, that your present knowledge...

... the area...

... I think it is the top position...

... the top position...

... the top position...

... the top position...

... the top position...

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... the top position...

Alberta coal costs as much as it does is that the mines are poorly managed in this province as compared with mine management in United States and other places like that. I would like to give an operator a chance to see what he thought about that general statement.

A Well, Mr. Commissioner, I never gave very serious consideration to those statements because usually they are made by people who have had no experience themselves, who have not sufficient information about the management of the mines nor the way they are conducted to express an opinion. However, I will be glad to say that I don't agree with that sentiment at all. If you take the statistics that are issued by the Mines Branch and the Dominion Government, you will see that since I have been in the coal business, which is not very long, the coal industry of this province has increased in production from one and a half millions in 1911 to above six millions now; that was in 1920, the peak; it practically amounts to six millions every year and varies a little bit owing to labor troubles and something of that nature, but our increase in production in this province will compare favourably, if it is not in excess of the development of any industry in the country; considering the increase in the population and other developments, the coal mines are not behind; I am quite sure of that. If they were inefficiently managed the coal industry would not be able to make the showing it has made. Further than that, we must remember during all that time, while the coal industry has been

Mr. [Name]

Alberta coal fields and it goes in that line.

management in United States and other places.

I would like to give an operator a chance to see what he

thought about that general statement.

Mr. [Name] said, I never gave any operator a chance

to see what he thought about that general statement.

and he has had no experience there, who has no

information about the management of the mines here.

and they are connected to express an opinion. However,

I will be glad to say that I don't agree with that statement

at all. If you take the statistics that are given by the

Mines Branch and the Dominion Government, you will see that

since I have been in the coal business, which is not very

long, the coal industry of this province has increased in

production from one and a half millions in 1911 to about

six million now, that was in 1911, the year it was

fully opened to the public and it was a little

more than 1911, but it was a little more than 1911.

and it was a little more than 1911, but it was a little

more than 1911, but it was a little more than 1911.

and it was a little more than 1911, but it was a little

more than 1911, but it was a little more than 1911.

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and it was a little more than 1911, but it was a little

more than 1911, but it was a little more than 1911.

increasing and progressing we have paid the highest wages that were paid in any industry in the country and I think we are still doing it.

Q We will come to that wage question later.

A I just mention it as an incident bearing upon the question of whether there has been inefficient management or whether the industry has been properly conducted, that is all.

Q Were you engaged in coal mining elsewhere before coming here?

A No, sir, this is my first experience.

Q Coming now to your particular field, I find that, taking the coal areas of Big Valley, Carbon, Drumheller and Sheerness, as shown on that map before you, there were in 1924, 91 mines, so-called, operating. Over 1000 tons production in 1924 there were 51 mines; over 2000 tons there were 38 mines; over 5000 tons 33 mines; over 10,000 tons, 29; over 20,000 tons, 24 mines, and over 30,000 tons, 21 mines. Now, we have had a number of replies from operators in this district and almost without exception, in one form or another, they make use of the expression "too many mines". I think that is not disputed by anyone. Have you thought out any way in which - Pardon me, let me ask you first - I am not sure whether your answer was the same; I don't just catch an answer of yours that makes use of that expression. In your opinion, are there too many mines operating in the district?

A Well, the answer to a question like that, of course, involves a good many different angles, probably. Theoretically and economically there is never too much of anything in the way of

we are still going it.

we will come to that stage question later.

I have mentioned it as an incident bearing upon the question

of whether there has been insufficient management or whether

the situation has been properly conducted, that is all.

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of whether there has been insufficient management or whether

the situation has been properly conducted, that is all.

industrial development. If the mines that are in existence, and I regard it as more of a complimentary courtesy to call a hole in the ground a mine, that produces a thousand tons of coal, you could hardly call it a mine, but there must be some economical reason why it is there or it would not be there. If they sell a thousand tons of coal there must be a demand for that thousand tons of coal and it would hardly be fair to say that he has no business to be mining it if somebody wants to buy it. I am not very strong on the theory of any artificial interference with industrial development that can exist. If the ordinary economic laws of supply and demand and competition will not eliminate that man with a thousand tons mine, then he has a right to be there; if he cannot exist then there are ordinary natural processes of competition and economic laws will put him out of business and he won't be there very long. A good many of those places are supplying just local trade to farmers and wagons and they perhaps save a little bit of money for the fellows who live close by.

Q What effect have they on the coal deposit, from a national point of view, of so much coal available in the ground?

A You mean in the way of conservation?

Q Yes.

A Well, they are subject to the same regulations and inspections that all big mines are; they could not waste the resources.

Q It has been stated that these openings spoil an outcrop - I think the expression that is used - they take the easy coal

and do not protect the entrance. What would you think about that?

A Well, if that has been done that would be a question for the inspection department to prevent. I think they have plenty of authority to stop any action by a miner or mine owner that is prejudicial to the resource or to the country.

Q Well, so far as the province is concerned, until it gets its resources, it would not have anything much to say on that.

A They would ^{not} have anything to say as to whether it could be operated but they have all the say as to how it shall be done, what precautions shall be taken.

Q With what object?

A Well, the object of seeing that the development is carried on in a businesslike, legal manner, in a safe manner.

Q Isn't the sphere of the province rather limited in that respect to safety, as at present?

A Of course, I don't think so; I think that since about three years ago, provincial and dominion inspectors are in some way amalgamated and that they are both operating together in conjunction. I may be wrong about that but I know there was a movement of that kind and the Dominion inspector works in conjunction with the provincial.

Q Well, if the Dominion still owns the coal and ~~has~~ is leasing it, it is clear that it has a very great interest in seeing that the resource is not wasted?

A Yes, but the same condition will prevail after the province gets the natural resources; the province will not be able to cancel any of the leases that have been made and prevent their operation; they can only prevent it in a manner that

would be detrimental to the best interests of the country and the resources.

Q The statement has been made that these cheap openings are detrimental to proper development later on. Have you any ideas on that?

A Well, I can see where they might be in some cases very much so but I believe that there would be means of stopping it, if there were.

Q Well, would you favor interference with the operation on that ground?

A Yes, if that ground were established, I would if they were wasting the resource or destroying an opportunity to recover it after.

Q The statement has been made that they constitute unfair competition with the larger operation, that is, ~~without~~ leaving proper pillars to protect the entrances, and is therefore under heavier expense. Do you think that is --

A Well, I don't think that is a legitimate objection if they comply with the inspection laws and safety regulations.

Q Well, what is the effect on the operation of other mines of these numerous small openings?

A Well, there is no doubt it furnishes competition and perhaps lessens the tonnage but certainly the larger mines ought to be able to meet the competition; they should not go to the government and ask for any artificial restraints or handicaps to be put upon the small man in competition with a man that has more and better equipment and larger mines and more facilities and better opportunities; it appears to me that

would be detrimental to the best interests of the country

and the resources

The statement has been made that there is a possibility of

development to proper development is not an

idea on that?

Well, I can see where they might be in some cases with

so but I believe that there would be some of them

Well, would you favor interference with the operation on that

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that is the effect on the operation of other mines of

the competition cannot be said to be unfair to the extent that the government should interfere.

Q You don't think, then, that under such conditions their coal is cheaper than the larger operations can be?

A Is that an objection?

Q Well, I was wondering. I want to get your point of view on it.

A No, I don't think that is objectionable.

Q Well, to come now to the other mines: Are they working full capacity?

A Oh, no, no mines here are working full capacity,

COMMISSIONER WHEATLEY: There was one thing on that point. I feel myself that if you had that tonnage that these small mines are taking would you not be able to carry on a better business yourselves, provide better facilities for your workmen and more regular employment?

A Well, that is a theory, Frank. There is no question but if you start with the premise we had more tonnage we can work steady, that is certain, but that does not warrant me saying that the government or any authority should interfere to give me tonnage that I cannot get by the regular methods and economic laws of this country in open competition with the other fellow; if I cannot get that tonnage, then I have not any complaint to make, even though if I had it I could do better.

Q It would bring about these other desirable conditions. Are you taking any steps among yourselves to accomplish that?

A Well, yes, we do by legitimate means of offering our coal; we claim we have better preparation, better quality of coal,

any suggestion cannot be said to be valid in the present

that the Government should in future.

You don't think, then, that under such conditions that it

is cheaper than the former operation can be

is that an objection?

Yes, I was wondering. I want to get your point of view on

it.

No, I don't think that is objectionable.

Well, to come now to the other mine: And very welcome, tell

Oh, no, no mine here are working full capacity.

INTERVIEWER: There was one thing on that point. I feel that

that if you had that tonnage that these small mines are

ing would you not be able to carry on a better business

Well, that is a theory, Frank. There is no question as to

you start with the premises we had more tonnage we can work

ready, that is certain, but that does not answer me saying

that the Government on any subscription should interfere to

give us money that I cannot get by the regular method of

getting it. I am sure that if we had more tonnage we

could get it. I am sure that if we had more tonnage we

could get it. I am sure that if we had more tonnage we

could get it. I am sure that if we had more tonnage we

could get it. I am sure that if we had more tonnage we

could get it. I am sure that if we had more tonnage we

could get it. I am sure that if we had more tonnage we

could get it. I am sure that if we had more tonnage we

and we certainly push it in every legitimate way we can but we cannot put these wagon mines in the little places out of business entirely because they have some advantages even our competition won't stop.

THE CHAIRMAN: Well, before leaving that, though, if on a big scale production you are compelled to take certain safety precautions which are effective in the cost of coal, which they do not have to take, you don't think that perhaps makes unfair competition?

A No, not in the sense that you would use the term here; it might make hard competition but, then, hard competition is not always unfair competition in any economic sense.

COMMISSIONER WHEATLEY: It must be necessarily extreme competition, though, with all these little places working in on your business in general?

A Well, the history of these is that they don't last very long. Of course, when you put one out there is another one bobs up somewhere. The records every year disclose hundreds of these places being started and as many more being stopped. They are something that I think it is, too, a passing phase of the coal industry in this province that will gradually eliminate itself because the time is coming when that kind of work will not be profitable; it won't pay anybody. Right now I don't want to be understood as saying they are not serving a useful purpose in certain places.

Q What would you suggest as a useful purpose?

A Well, a useful purpose is furnishing fuel to people at a

and by everything, push it in every direction we can

let us know that these things are in the future and

the business interests because they have been

the business interests

will, before leaving that, though, in on a big scale

production you are compelled to take certain safety meas-

ures which are effective in the case of coal, which they

will have to take, you will have to take certain

measures

and, not in the sense that you would and the same time; it

might make hard competition with them, hard competition is

and things which are necessary in the business

ALABAMA: It must be necessarily extreme consideration

though, with all these little places working in the

business in general?

Well, the history of these is that they don't last very long.

Of course, when you put one out there is another one

it is possible that the business is not as good as

it was before, but it is not as good as it was

and it is not as good as it was, and it is not as good

as it was, and it is not as good as it was, and it is not

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better price who need it and need the service, and when they can't do that they won't be there. That is the real cause of their being there, because they are serving some purpose and serving somebody.

THE CHAIRMAN: And the only limit, I take it, from what you said, that if it is proved they are doing damage to the property, lasting damage to the property -

A And destroying the resource, that would be a legitimate objection to that kind of operation.

Q You would favor them being compelled to operate in such a way as not to injure the resource?

A Yes.

COMMISSIONER WHEATLEY: There is just another point I would like to hear from Mr. Gouge. If the government set up regulations that would compel them to put up decent housing and living conditions around a small plant of that description, would that be a factor in driving them off a field?

A It might; they won't need very much of that because, as a rule, that kind of operation does not employ a large number of men.

THE CHAIRMAN: I suppose the simplest form is where the farmer drives up and the man who owns the land says, "You will find a pick behind the wood-shed," and he goes and helps himself?

A That is being done in some cases. Of course, that kind of operation can be stopped under the inspection department because no one is in charge; there should be a certificated man at a mine and there is nobody responsible for the proper

timbering or preservation of the safety of the individuals. I would not hesitate to say that the inspection department should stop any place where men just go and help themselves without any over man.

Q Well, then, to come to the other mines, you have said that they are not operating to capacity. What suggestions have you thought of, or at least, what have you thought of to improve that condition?

A Well, that is a question that gives us a lot of thought and concern. Personally, I have not any idea that we will ever reach a time when the mines producing domestic coal will be operating continuously. There are many reasons why that cannot be and will not be. We are not, however, operating nearly as much as we could operate if the market, which we believe properly belongs to us, was firmly established and secured. It is only a question of extending the boundaries of our market and getting business that now goes to somebody else.

COMMISSIONER DRINNAN: Well, if new mines keep opening up, in what way will the expansion of the markets give you more steady operation? Suppose in the Drumheller field, right here in Drumheller, several other mines start up and you extend your market, say, to Ontario, the output of the other mines would be capable of supplying the Ontario market?

A Well, it gets back to that old law of -

Q The survival of the fittest?

A Survival, because the fellow who can get the farthest and

meet the competition in the remotest area will have the biggest output and the man who cannot do that would not be able to get the business. Of course, business in this intensive competitive area will have to be handled on a very close margin at any time and with the very lowest production costs.

COMMISSIONER EVANS: You spoke of there being no government regulation but we are not necessarily thinking of that at all in these questions. Have you thought out any plans among yourselves for bringing about a better state of production?

A Oh, yes, we think about those things continually; that is one of the things a mine operator never quits thinking about, is what he can do to increase his market, reduce his production costs and get farther afield. For this field I am ^{quite} sure we have very great possibilities in the way of enlarging the output without taking into consideration the potential market in Ontario; that is a possibility dependent entirely upon the outcome of this proposed shipment of coal, but at the present time the mines in this field are practically out of the Manitoba market. So far as our mines are concerned, and I think we are fairly representative in the field, we just consider that we have lost the Winnipeg market entirely. Now, that market has to be recovered. When I say we have lost it, I mean temporarily; we don't concede we have lost it permanently and are not going to get it back. That market at one time took practically 25 per cent. of our coal, and I notice by the Government reports there were some 260,000 tons out of a million that went from here went to Manitoba, so that it was

meet the competition in the remote areas will have the
biggest output and the man who cannot do that would not be
intensive competitive area will have to be handled on a
very close margin at any time and with the very lowest

Mr. Evans: You spoke of there being no government guarantee
that we can get the coal we need at a reasonable price.

These questions. Have you thought out any plan to
ourselves for bringing about a better state of production?

Oh, yes, we think about those things continually; that is
one of the things a mine operator never lets himself forget.

is what he can do to increase his output, reduce his production
costs and get further ahead. For this I believe I can say we

are very great possibilities in the way of increasing the output
but without taking into consideration the potential market

in Ontario; that is a possibility dependent entirely upon
the outcome of this proposed alignment of coal, not at the

moment when the coal is sold there are possibilities of
the coal being sold at a higher price than it is now.

I think the coal is sold at a lower price than it is now,
and that is the reason why the coal is sold at a lower price.

That is the reason why the coal is sold at a lower price,
and that is the reason why the coal is sold at a lower price.

and that is the reason why the coal is sold at a lower price,
and that is the reason why the coal is sold at a lower price.

and that is the reason why the coal is sold at a lower price,
and that is the reason why the coal is sold at a lower price.

in round numbers a quarter of the output of this field went to Manitoba. Now, that is a serious loss. Last year the union mines, or association mines, were down around 600,000 tons and we had been up one time to 1,200,000.

COMMISSIONER DRINNAN: To what cause do you attribute the loss of the Winnipeg market?

A Well, there is not any one cause that is accountable for the whole thing. The causes are just the general proposition that the people are buying coal that they prefer at the price to ours; they are buying cheaper coal, some from Bienfait, some from Carbon, some from Edmonton. A splendid illustration ^{of} ~~that~~ the growth of that competition is the records of the Carbon mines. In 1923, only two years ago, Carbon only produced 49,000 tons of coal. In the first two months of this year, in January and February, they produced over 40,000 and they were two very poor months, two very poor months here, and yet in those two slack months they produced nearly as much as they did a whole year ago. That is where our business is going. Then there is the coke. I made some enquiry, too, about the quantity of coke in Winnipeg. Mr. Saunders, I think, gave you a figure of 60,000 tons last year. I am inclined to think Mr. Saunders' figures were based on a calendar year and not upon the coal season because, when I was in Winnipeg, I was told that the coke that came to Winnipeg this season, starting last fall and ending in March, when I was there, was 100,000 tons or in excess of that.

THE CHAIRMAN: Is that imported in addition to the local coke?

A That is imported.

Q I think Mr. Saunders gave us a little higher than that.

A I may have misunderstood him; I thought he said 60,000 last year.

Q His figure was Duluth 35 thousand, Minneapolis 25, and local ^{25,000,} coke/- that is 85,000 tons.

A The 60,000 was his figure on imported coke?

Q Yes.

A Well, I am quite certain that figure is not up to the mark, that the imported coke is much more than that, if you take the season and not the calendar year.

Q Now, Mr. Gouge, just on that question of coke. Coke is selling in Winnipeg at 15.50 a ton retail against Drumheller coal at 12.50 or 12.75.

A 12.50.

Q We were told yesterday in Calgary by a dealer that he was selling coke, which, on analysis seems inferior to this slightly, at 15.50 against Drumheller coal at 8.75.

(you)
A Yes, but he told me he sold 400 tons in the City of Calgary and I don't think - -

Q But he said he was selling it in competition and expected the market to grow.

A He may expect it but he won't find it will grow very fast.

Q You don't expect it?

A No; you can find people who are finnickier and notionary that will buy 400 tons in the City of Calgary for special purposes or for ~~some other purpose~~ some particular reason. To put coke into general use in Calgary at those prices is not possible.

Q Well, so far as the relationship goes, with coke at 15.50, what

price do you think Drumheller coal will command for a permanent market?

A Well, we can sell coal in competition with coke at those prices.

Q What price would you be getting?

A At 12.50 and 15.50, but the coke will be hard competition, but I don't think that they can take all the business, nor we couldn't take it all from them; relative values at those prices will not greatly differ. In order to beat that and make competition we should get below 12.50.

Q How much below?

A Well, not a great deal. I was told in Winnipeg that if our coal could be sold down there around \$11.00 or 11.50, put a spread of \$4., the people would not look at the coke. They said, you can get the business with a spread of \$4., but when we get up - and there is another element in the competition of fuels, that is the local dealer; the influence of the local dealer is great, and if he likes to handle coke better than he likes to handle your coal and there is not much difference in the values, his influence and his talking ability and all the persuasion he has is thrown on to the one he wants to sell, and the dealers, for some reason in Winnipeg, have always been more or less prejudiced against Western lignite; they don't want to handle it; they tell you they don't; they said, We ought to have a dollar more to handle it than we have for anything else, and their influence is continually being exercised against our coal, unless it comes to the point, of course, where we have so much edge

...do you think ... will ...
...

Well, we can sell coal in competition with ...
...

What price would you be getting?

At 12.50 and 12.50, but the some ...

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... you can get the business with a price of 12.50, but

when we get up - and there is another element in the com-

... that is the local market; the ...

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that they can sell coal without any effort.

Q We have been given various reasons for that. I would be glad to hear what you think the legitimate reasons might be.

A Well, I don't want to admit there is any legitimate reasons. I think the original reason came through the introduction of Western coal into Manitoba and thereby destroying what was up to that time a pretty close monopoly of the coal business. There were only a very few men in the business before Western lignites went into Winnipeg, and those were big importers who controlled the market there, had a very nice thing in the coal business. When our coal went in there were so many mines, so many people desiring to sell, that it resulted in a large increase in the number of dealers in Winnipeg, perhaps too many dealers. They could get coal anywhere and the men who had been importers of coal and had their hand on the situation had not any control at all and they tell me they haven't had much success in the coal business since that time it is split up into so many different dealers and so many different hands, so many different kinds --

COMMISSIONER WHEATLEY: Taking you back just a little there - you spoke just now of the better market. You said through competitive methods in the Big Valley field - during the Campbell commission it was stated that Drumheller coal was being sold by certain dealers, Hudson and Curtis(?), for example, as Drumheller coal, which turned out ultimately to be Big Valley coal, a coal of less value and with a differential in mining. I was wondering if any of these competitions that you refer to is being expended on that account?

A Well, to a certain extent, I think they are.

Q They may be trading on your good name -

A But that is a matter very properly for government regulations and our province here undertook to do that and I think the Manitoba government is going to follow along similar lines; that, of course, is falling upon the consumer and should be prevented.

Q While you refer to it as a competitive phase it should be ^{allowed?} -

A That is not competition, that is fraud.

Q Do you attribute any of the progress made in the Big Valley section to that?

A Well, it would no doubt help them to have dealers putting over misrepresentations of that kind.

Q Well, your good will is damaged?

A It injures us at the same time; it injures this field to have Scheerness and Big Valley coal sold anywhere because very often the consumer does not know the difference and even after he burns it he might think he had coal from the Drumheller field and he would naturally estimate the values of all Drumheller coal on the basis of his own experience.

Q You speak so favourably towards competition that I feel that I should draw your attention to that point.

A Not that kind of competition, I am not friendly to it.

THE CHAIRMAN: Have you any suggestions to make with reference to other competing fuels in the Winnipeg market?

A No, I haven't; the competition there comes from cheaper coals and coke.

COMMISSIONER IRWIN: Did I understand you to say that the Carbon

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coals had replaced your coal in Winnipeg?

A Well, Carbon is a big factor in doing that.

Q How do you account for that?

A They have sold their coal for 3.50 when we were getting 4.55 for the same screening. That is the only way I can account for it.

COMMISSIONER WHEATLEY: It was proved in the Campbell Commission that they are trading it off as Drumheller coal.

A Yes; there is no doubt Carbon coal is the most easily substituted for this coal of any coal that is produced around this country.

Q How do you propose to get over that?

A Oh, that is fraud; there is no question about getting over that; if the officials of the government want to enforce the law it can be done very easily; it is just the same as any other fraud; the evidence can be procured that will furnish convictions.

THE CHAIRMAN: It has been stated that the price of Drumheller coal on the same day in Winnipeg - I have got an advertisement showing it was offered anywhere from 9.50 to 12.75 delivered, on the same day, and the statement was made that a reputable dealer who could only sell that delivered at the 12.75 price found that his reputation was suffering against these other offerings and that was one main reason why they disliked Drumheller coal.

A That has a lot to do with it, the fact that there has been coal in there at various times in pretty large quantities, called distress coal, that was sold at sacrifice prices,

could be replaced your coal in Winnipeg?
A Well, London is a big person in being that.

How do you account for that?

A They have sold their coal for \$2.50 when we were paying 4.45
for the same screening. That is the only way I can account

for it.

Q Now, you say that the coal is sold at a loss?

A Yes, there is no doubt London coal is the most costly

substituted for this coal of any coal that is produced

in the West.

Q Now, you say that the coal is sold at a loss?

A Oh, that is right; there is no question about that.

over that, is the officials of the government wish to

enforce the law it can be done very easily; it is just the
same as any other thing; the evidence can be produced that

will be very convincing.

Q Now, you say that the coal is sold at a loss?

A The same day in Winnipeg - I have got an answer to that.

Q Now, you say that the coal is sold at a loss?

A On the same day, and the evidence was taken that a

large amount of coal was sold at a loss.

Q Now, you say that the coal is sold at a loss?

A Yes, and that is the only way I can account

for it.

Q Now, you say that the coal is sold at a loss?

A Yes, and that is the only way I can account

for it.

and bought by scalpers and snowbirds, people around, at ridiculously low prices. But that is a temporary situation. Of course, it demoralized the trade and caused the dealer to be very much dissatisfied with coal from this field. That worked against us.

Q What would be a remedy for that?

A Well, I don't know any remedy that you can propose. If the mine operator gets a few cars on track and he has not any better sense than to send it down there and take the chances, he takes what he can get; he knows he is going to do that when he ships it. That condition has prevailed for every winter for three winters now, right in the heart of the cold season when things are going nice, we get a wire some morning that there are fifty cars of distress coal in Winnipeg this morning, and we know immediately our orders are not going to come for a long time; and that happened this winter on several occasions.

COMMISSIONER WHEATLEY: Could you not have some agency that would deal and cope with a thing like that, jointly?

A Oh, I don't think so; you know, men will not continue anything that is seriously prejudicial in the way of hurting their ^{own} business and I think that when they get stung - if you may excuse the expression - and sell their coal below cost a few times, that after a while they will quit it. It has only been the last three years we have had any serious action of that kind, and every time I know that the dealer and the operator who shipped the coal lost a lot of money.

Q Would that not have a tendency to check the legitimate flow of coal?

A Oh, yes, it does.

Q And also keep up the price?

A No, it cuts the price down. That kind of coal is sold away below ~~next~~ price and it is sold below cost sometimes, the distress coal.

Q But would it not ultimately follow, in order to meet these losses, the price would naturally have been put up somewhat, the consuming public ultimately would pay for it?

A Well, the fellow who ships that coal don't get any more for the next coal he ships that he would if he hadn't shipped it; he has to ship the next coal at the price the other operators are selling; he just merely takes the loss on that distress coal.

Q Would not some central agency be able to let that man down more lightly, if he had some control -

A I don't think you can have any pooling arrangement in coal that will be successful; there are so many objections to it and so many positive reasons why it is impossible.

Q Mention one or two.

A Well, the first one is that you cannot sell all the product. A comparison was attempted to be made between ^athe coal pool and the wheat pool. It doesn't matter how much wheat you raise, if four hundred million or eight hundred million, it is going to be all sold; you cannot sell all the coal or we cannot sell half the coal we can produce, therefore you have got to start out on the hypothesis of a marketing capacity

...and then he is returning to check the ...

...of the ...

Oh, yes, it does.

And also keep up the price?

Yes, it cuts the price down. ...

away below market prices and it is ...

the difference ...

and would it not ultimately follow, ...

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Well, the ...

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he has to ship the next coal ...

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where every producer is struggling and exerting himself to increase his output without offering him any chance to do that. If you could market all the coal that is produced you would have one of the most serious obstacles to the idea would be gone. The next is that coal cannot be graded like the wheat is, taken through an inspector and graded No.1, 2,&c. Every man's wheat is of equal value; every man's wheat is equally desirable to the miller who buys it, if it is No.1 he buys it without ever looking at it or seeing it, takes the inspector's word for it. They don't buy coal that way. Coal is taken upon the demand of the consumer. He has a special preference and any attempt to form a pool and demand that the buyer take so many thousand tons of this coal and so much of that could not be done, it would be a failure.

THE CHAIRMAN: Let Mr. Gouge give his full list of these objections, if he will. Have you any more objections to the pool?

A Well, the next thing, it would be impossible to get all the operators in and the pool would be in competition with some fellow on the outside who would be free to offer his coal at any price and we would have a situation where it would be undesirable and unsatisfactory to everybody because if the pool is going to be of any advantage it can only be advantageous to the operator by maintaining a fixed price or a higher price than he would get operating individually; if the pool started out to sell coal for less than the individual could get in the open market himself he would be dissatisfied.

every product is a marketing and advertising business

to increase his output without affecting his cost to

do that. If you could market all the coal that is produced

you would have one of the most serious obstacles to the

idea would be gone. The next is that coal cannot be stored

like the wheat is, taken through an inspector and stored

No. 1, 2, 3, 4. Every man's wheat is of equal value; every man's

wheat is equally desirable to the miller who buys it, it is

is No. 1 he buys it without ever looking at it or testing it,

takes the inspector's word for it. They don't buy coal that

way. Coal is taken upon the demand of the consumer. He has

a special inspector and his stamp is on every ton of coal

and a stamp that says "this coal is of No. 1 quality" and

that is all that is needed to sell it. It is a

simple

business. The only thing that will keep it from being

is the fact that the coal is not of No. 1 quality

and the fact that it is not of No. 1 quality

and the fact that it is not of No. 1 quality

is the only thing that will keep it from being

is the fact that the coal is not of No. 1 quality

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and the fact that it is not of No. 1 quality

Q Well, what about a longer run?

A He cannot sell at a longer run unless the market demands it for a longer run. This field can produce one million two hundred thousand tons of coal if we had the market. We had in 1920, 1922 and 1923. That is about what the market at that time would absorb. To get any more than that without increasing the population of the country or further development of the country, we would have to go farther afield. That is possible. I started to mention those different points that I think we have within accessible reach of this field. After the Winnipeg market - or perhaps before it - is the

Spokane market. Now, at the present time we have succeeded in securing a 4.50 freight rate from this field to Spokane. It is 20¢ less than Winnipeg. It is the next largest city than can be reached on that freight rate. We have got the duty removed from lignite coal and it goes to Spokane just as freely as it goes to Winnipeg. The competition we meet down there is not any harder than the competition we have in Winnipeg. The prejudice is perhaps a little greater, something we have to overcome. They have Utah and Wyoming coal sold at approximately the same price we can sell at now with higher heat units but more dirt and a little less satisfactory.

Q What do you deliver in Spokane for?

A Our coal in Spokane costs us 20¢ less on the cars than it does in Winnipeg.

Q And what is the retail price there?

A Well, it is whatever the dealer wants to sell it at; they sell it at 12.50 down there, the same as Winnipeg; if we are

Well, what about a longer run?

Q

He cannot sell at a lower price than the market.

A

It for a longer run. This field can produce one million

two hundred thousand tons of coal. It is not the market. It

is in fact, it is not the market. It is not the market.

at that time would about. We get very much more than this

without increasing the population of the country or the rate

development of the country, we would have to go to the market

test in possible. I started to mention those different

that I want to say that in the market, it is not the market.

After the Winnipeg market - or perhaps before it - in the

market, it is not the market. It is not the market.

is a 50¢ freight rate from this field to the market.

It is 50¢ less than Winnipeg. It is the next nearest

can be reached on that freight rate. We have not the

only removed from the field to the market, it goes to the market

freely as it goes to Winnipeg. The competition we have seen

there is not any harder than the competition we have in

the market. It is not the market. It is not the market.

and we have to go to the market. It is not the market.

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and we have to go to the market. It is not the market.

going to have a little bit harder competition; we are just practically touching that market now and within touching distance, in reach of it. Some special effort must be made to get it and I think we are going to get it in time, in Spokane. Then there is quite a market developing in B. C. Every year the business in B. C. increases. And I am not overly sanguine about getting Vancouver but I believe there is big possibilities in Vancouver for this domestic coal.

We are at present out of line in Vancouver about 1.50.

The Island coal, I am told, lays down to the dealer at \$8. We have a \$5. freight rate; with 4.50 coal we get there at 9.50. Now, it would take 3.50 coal and a 4.50 freight rate and we can meet the Island coal with a more desirable product for domestic use because it would be domestic coal in competition with a bituminous coal for domestic use. The market is growing out there for coal from this province, especially from Pembina, where the rate is 3.90; and from the investigations we have made there is a possible market in Vancouver for a pretty big bunch of coal from this field if we could get it there for \$8.00.

COMMISSIONER WHEATLEY: Could you dispose of it the whole season, now?

A You could dispose of some for the whole season but not in large quantities. As I said a moment ago, I haven't any hopes that there will ever be a time when domestic mines will run all the season; it is against all reasons to think they will. People won't buy coal in the summer for December use when they are not burning it. There was a time when we could scare them a little by telling them there would be a short-

age in the ^{winter} run/and lack of cars. In that way we induced some people to put in their coal and induced them to buy in the summer but we have demonstrated in the last few years that there is no car shortage and that the mines are capable of supplying the demand right through the winter when the demand is heavy, and with that knowledge in the minds of the public and the dealer, he won't buy coal in the summer; there is some shrinkage to it.

Q You could not supply the British Columbia market also as well as the Winnipeg market at the same time with your present arrangements?

A You mean at the present prices?

Q No, at the present rate of tonnage that you have?

A Oh, yes. We have got tonnage enough.

Q In the winter time?

A Oh, yes.

Q What increase do you expect in output to care for that additional trade?

A I don't mean that we would do it in the eighty days, Frank, that we had last year; we would start earlier in the fall and run later in the spring. There would be considerable more working time, but it would not be continuous over the whole year. That is the point I am trying to make. We would work a great many more days if we had that tonnage that we work now because our mines were practically down the 10th day of January, right in the heart of the winter when the snow was all over these ~~prairies~~ prairies and a very severe winter, the mines were not operating.

Q You have mentioned two extreme cases, Spokane and Winnipeg

...in fact all cases. In fact we have

some people to put in their coal and in fact to put

in the market but we have demonstrated in the past that

the demand is heavy, and with that knowledge in the market

the public and the dealer, he won't buy coal in the market

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the public and the dealer, he won't buy coal in the market

markets; would it not be better to concentrate on one and negotiate there first?

- A No, they are all possible and can all be worked out at the same time. They are highly competitive markets but the thing that will get one of them will get all, and if you can get one and will bring about a condition that will get it, it is just as easy to get the others; they all require just exactly the same conditions.

THE CHAIRMAN: Now, to go back to your objections to pooling, your first objection was that the market would not take all the product. Have you ever thought any plan of reducing the production to what the market will take?

- A Well, that is something that the force of necessity compels in an but when every mine is operating/independent way you are compelled to reduce your production to what the market will take and your pool would be of no advantage unless they could extend the market in some way.

- Q Of course, the suggestion is that some sort of merger, of closing down mines and only running those that were required would get over that first objection.

- A Well, it is just like the idea of closing all the little fellows and letting the big fellow have his business; it would operate to the advantage of somebody but the question is broader than that. Would it be to the advantage of the country and the consumer and the producers generally?

- Q There is no suggestion of raising the price by the process; there is only a suggestion of more economical operation.

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to run, and that is the question.

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A Well, that is a big question, Mr. Commissioner, and I have my own personal ideas on it.

Q That is what we are anxious to get.

A And I am quite certain there is more objections to it than there are arguments for it. If you want to form a monopoly on the theory that a monopoly can operate cheaper than independent operators, you will find that in practical experience they won't. I think to-day the best informed people believe that if the British Empire Steel Corporation was made up of the single units that once composed it, the situation would be better there than it is operating the monopoly; that is a big, big combination.

COMMISSIONER WHEATLEY: But, still, quite a few of the operators contend there are too many mines open.

A Well, that is a kind of natural feeling, the same as the miner says there is too many men want to work in the mines.

Q You sell fuel as well as produce it. A. Yes, sir. are
Q Just what is your methods of marketing?

A Well, they are very similar to everybody else's. We offer our product - of course, we have just one slight difference of opinion with the other sellers; we don't do very much travelling about the country. Our coal is sold more by mail than it is by actual solicitors travelling about the country securing orders but in every other way we are selling just the same as every other selling company.

Q You sell to - ?

A Sell to dealers and dealers only.

Q Dealers only?

A Yes.

Q You are a wholesaler?

A Yes, sir.

A How much do you sell in a year in that manner?

A Well, it is pretty hard to say. We had about 196,000 tons last year, I think, and the year before 280,000, but on some of that, mind you, we paid commission on some coal, too, that we sold through some wholesalers in Winnipeg; they have sold some of our coal and we have a man in Moose Jaw selling through a certain territory in Southern Saskatchewan. That coal is sold by other wholesalers besides ourselves.

Q You are almost 100,000 ton less this year?

A Very close to 100,000 tons less but that was seven months' strike.

Q Part of which would be summer time. You would not expect a loss to that extent?

A Well, as I explained to you we lost business in the winter; the mines here did not work in the winter and we should work in January, February and March; they were all winter months; they were not summer time.

THE CHAIRMAN: I keep trying to bring you back to these objections to pooling. I want to get the bottom of your mind on it. You are satisfied coal cannot be graded and the public educated to grades?

A No, it cannot be graded. In domestic grades there are so many different grades and kinds and preparations and the coal from the same field is not mined all in the same seam.

Q Then, on such questions as this disturbance of the Winnipeg

9 to 12,000 ft. a year

112, 881

market by distress coal and of these other questions, you can suggest no remedy - -

A I think those things are things that are temporary and will remedy themselves. They will remedy themselves in this way, that any attempt so far made by operators to create a consignment market has been so disastrous and so expensive to himself that it must eventually be stopped by the very fact that it doesn't pay. Men won't continue anything that doesn't pay. I think there were coal operators who got the notion that it is done in the United States to a considerable extent - coal is shipped into cities like Chicago and St. Louis and Kansas City without any orders at all and it is sold on a fluctuating market there, but there is such a large demand for this coal that unless the amount of consignment coal is exceedingly heavy the price doesn't fluctuate but a few cents a day; it may be a few cents off to-day and a few on tomorrow, but there is no big fluctuation. But when you send consignment coal to Winnipeg, there seems to be an organized gang down there are determined you cannot get any money on it; they just leave it until there is a \$5. demurrage on it and then go down and make an offer that is very low and then sell it lower than they should even under those circumstances, lower than market prices, immediately giving the people the impression that coal is down about \$3. a ton from the regular price. Now, that cannot continue and Winnipeg has not been a consignment market, never will be, and every time it is attempted it will result in a loss and it is bound to regulate itself and correct itself.

marked by a decrease in the price of the coal and of the other commodities.

- - -

I think those things are things that are necessary and will remedy themselves. They will remedy themselves in this way, that any attempt to make by any means to increase the coal market has been so disastrous and so expensive to himself that it must eventually be stopped by the very

fact that it is done in the United States to a considerable extent - coal is shipped into other like Chicago and St. Louis and Kansas City without any orders of sale and it is sold on a fluctuating market there, but there is such a large amount for this coal that unless the amount of coal is

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price and you are determined you cannot get any more on it; you have to pay a high price for it. It is a fact that the price of coal is a high price and it is a fact that the price of coal is a high price and it is a fact that the price of coal is a high price.

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COMMISSIONER WHEATLEY:

Q / I put it to you, Mr. Gouge, that being the result, if the dealers in Winnipeg who have been to very considerable pains to get in the way of handing your coal, give it up on that score, and if a number of these other things that you are going to leave to right themselves are going to take some years, don't you think there is anything that you might attempt among yourselves to hasten that process?

A Oh, we haven't given up all these things to wait until they work themselves out; I am discussing that consignment coal idea altogether. In so far as the dealers down there who suffer through this, my experience is they're all about the same; the very best dealers in Winnipeg go down to these yards and grab distress coal. I know our dealers do and we have got some as good men as there are in the city; whenever they can find they can buy coal on track --and you can't blame them very much--from \$1.00 to \$1.50 less than it would cost them if they shipped from our mines, they naturally feel there is a good chance to -

THE CHAIRMAN: Well, but what will they sell it for?

A Well, they sell it at the regular price.

Q It is the selling at the broken price that upsets the market?

A That is the price they complain about, yes. But I know every dealer in Winnipeg - I don't know that every dealer ~~there~~ does, but I believe every dealer down there gets a chance at this coal goes and takes some of it when he needs some coal.

COMMISSIONER WHEATLEY: They have a pool there at that end?

A No, it is just human nature. If you have got to pay 4.50

for a product you can buy for 3.50 or \$3.00 and approximately of a similar nature, they take the bargains; so that, while they don't like it and would prefer not to have it, they are nearly all guilty.

THE CHAIRMAN: Mr. Gouge, the suggestion has been made that the remedy for your particular troubles here would be to close 50 per cent. of the mines and let those ^{who} continue to operate compensate the ones that are closed, if it could be proved that something of that kind would cheapen production, give steadier employment, secure you a market and increase the prosperity of the industry generally. Have you any - ?

A Oh, yes, that is a paternalistic idea, that is not economically sound, Mr. Commissioner, and if that ever happens I want to be ~~the~~ one of the fellows who is compensated. I will let the other man have the grief and worry. Speaking about this Winnipeg market, I might tell you, we are seriously considering now of opening our own retail agency in Winnipeg to sell our own coal; at least, we can have an agency in Winnipeg that won't buy distress coal when it is on track.

Q Or, at least, if they do, won't lower the price to the consumer?

A No.

COMMISSIONER WHEATLEY: Do you have much distress coal? Have you been caught with any distress coal in recent years?

A Oh, yes.

THE CHAIRMAN: Do you mean him?

COMMISSIONER WHEATLEY: I mean you ?

A No, I haven't had any on track; we don't ship it that way.

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THE CHAIRMAN: Mr. Gove, the suggestion has been made that the

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... I might tell you, we are not really concerned.

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We ship it when we have orders, But there has been distress coal in Winnipeg or else our dealers are giving us a lot of bad information because I can show you the wires when they tell us there are fifty cars on a single morning on track without orders to be sold.

Q What effect has it on your business as a whole?

A It has a bad effect.

Q It checks your further shipments, does it?

A Yes, our dealers don't buy any when there is distress coal there.

THE CHAIRMAN: Well, you were saying you are considering putting in your own retailing organization in Winnipeg?

A Yes.

Q One of the general complaints is that retailing seems an excessive cost. Do you hope to cut that?

A Yes, that is all the object in putting it in. I don't want to say, however, that the dealers down there are making more money than they ought to make but, by combining the production end and the selling end, we can let one profit answer for both operations and if we can make a little money at the mine, I don't care whether they make any at the other end or not.

COMMISSIONER WHEATLEY: Have you any trouble in collecting your money for the various shipments to these other dealers?

A Oh, there are losses from bad debts but those are something that are unavoidable at times.

Q You would eliminate it by putting in your own retail agency?

A Well, we would probably lose some money then; all retailers

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more money than they ought to make but, by consolidating the

operations and the selling end, we can let our people

run the both operations and it is our own business.

I don't care whether they make any or not.

Q. Now, you say you want to sell in Winnipeg?

Yes, we want to sell in Winnipeg.

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Yes, we want to sell in Winnipeg.

do, but we would try to restrict the business to as nearly a cash basis as possible.

Q THE CHAIRMAN: Well, you made reference some time ago to the question of wages. The difficulty seems to be the short season employment. Have you, as an operator, tried to look at that from the men's point of view to see what the solution may be?

A Yes, sir. A reduction in wages that would not produce more days' work in a year would not be a good thing for the miner. However, if a small reduction in wages would increase the market, as we believe it will, and furnish him compensating increase in the number of days he can work, why, he would be benefitted even by the reduction. Now, that is the only debatable question between the operator and the coal miner. He won't believe that you can increase the number of days' work; the operator thinks he can.

Q We have been furnished with the earnings for the years 1921, '22 and '23, of the number of men in the local union, at this Local/No. 4687, as follows: datal men, 823.50 -
Union

A That is the average?

Q Average. Contract, 943.27. '22, day men, 711.56; contract men, 784.34. '23, day men, 792.75; contract men, 967.82. And they say this is ~~thexhaxix~~ based on a survey of 230 men in the local union. Now, - -

A I haven't ~~get~~ the figures here, Mr. Commissioner, and would have to accept that statement as correct but I believe that if they would include more than 230 men they would have got a better result.

Q Well, we will have the full results. I have not got them here. We will check them and it may vary somewhat from that. But you have said the domestic mines' trade will only make seasonal occupation?

A Oh, yes, it is always to be seasonal.

Q So that, whether that be the figure or a little more, it is only six or seven months at the outside of steady employment. What is to be done with the rest of the year?

A The question comes up then as to whether a man who is employed in the mines during the season when it can operate should do something else during the time when he has six or seven months of spare time.

Q Well, what can he do?

A Well, there is quite a lot of work in this country on the farms and places that our miner friends don't seem inclined to take to very well.

Q Let me put the question the other way. Have you on your staff a number of men who are, what you might call, combination men?

A Oh, yes, lots of men go out and work in the country and around at other occupations. There are hundreds of them out now. I should say today in this camp there is not 40 per cent. of the full quota of men who work here during the rush seasons are here now.

Q Would it help that situation, in your opinion, if a definite season for mining was fixed so that those buying coal would have to buy within that season and the work would be therefore more continuous during that season and that the men

Well, we will have the full results. I have not got them yet. We will check them and it may very possibly turn out that. But you have said the domestic mines, there will

only a small amount of production?

Oh, yes, it is always to be seasonal.

So that, whether that be the figure or a little more, is it only six or seven months at the outside of steady employment. What is to be done with the rest of the year?

The question comes up then as to whether a man who is employed in the mines during the season when it can be employed do something else during the time when he has no work to do.

Well, what can he do?

Well, there is quite a lot of work in this country on the

to take to very well.

Let me put the question to you now.

What a number of men who are, what you might call, casual

tion men?

Yes, that is what I am going to ask you to do.

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tion men?

employed would have a more definite idea of the time at which they must find something else to do?

- A I think the time is fairly definitely set now, Mr. Commissioner. As I say, we are endeavoring to extend that time and will if we can get the market that legitimately belongs to this field. Any attempt to do that would meet with the objection that there is certain development work that must be done ^{even} during the dull or closed season that produces a little bit of tonnage. There is a small market; it amounts to very little but there is coal being sold continuously through the summer for household use, and so forth, and the mines get just a little bit of business; but if you endeavored to shut down tight you would have trouble supplying that demand. Of course, it would be supplied from some place else if you closed this field and didn't close other places the coal could be secured all right.

COMMISSIONER WHEATLEY: Of the 40 per cent. of your original peak load staff, what percentage would be essential to carry on this development and meet this business?

- A Oh, it would not be but a small percentage necessary.
- Q What do you estimate it at?
- A I couldn't say; it would depend on how you carried it on; if you carried it on by working every day it would not take but very few men; if you carried it on by trying to keep your costs within bounds on the day you operate by having a reasonable crew on hand, then you would have to keep more men than you could employ every day, or they would stay around; they don't want to leave. This is a seasonal

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to this field. Any attempt to do this would be to risk the

objection that there is certain development work that must

be done, and the bulk of closed season that would be

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other places the coal could be recovered all right.

Q Now, what percentage would be necessary to carry on

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occupation. As an extra illustration, you might take the thresherman; that is a profession and industry, threshing grain. A man buys a threshing machine; he goes out; that is his occupation. You can't extend his workings over a year. Sixty days is about the time he has got to work; and everybody knows that if you undertook by any artificial limitations to restrict his operations to such a point where he would have to thresh twelve months there would be a serious loss. Any attempt to string this coal industry out over the twelve months would meet with the same objection. If you try to make people buy coal in the summer and forced them to do it because they couldn't get it in the winter, they would take a loss in deterioration in slack and of being out the use of the money and the dealer would have to have big sheds. It is an economical saving to the country to be able to furnish its coal just when it is wanted, just the same as it is an economical saving to the farmer to be able to thresh his grain just when it should be threshed. There is not too many threshing machines just the same because they can get the grain out in sixty days and not work a year. It is not an absolute proof that there are too many mines just because we are able to run to full capacity during the winter time to supply the coal they want.

Q But, Mr. Gouge, if that does satisfactorily solve the mine operator's and the consumer's problem, the solution must extend to solve the worker's problem too, must it not, for a permanent basis?

A Yes, but I cannot agree with the idea that the man who has

an occupation like the thresherman for sixty days must say, "Now, I am a thresher, during the rest of the ten months I am not going to work at anything else; I won't do anything else; the money I made during that sixty days must be my yearly earnings; that is my profession." I can't agree that that is -

Q All right, coming back to that extreme, that that is the only thing he has got to do, all interested must with him discover what else he is going to be able to do?

A Yes, if he is unable, of course, to procure any other employment he is not at fault; I would not find fault with that; if he is, though, he should not say, "Because I am a thresher I won't take other employment."

Q No, I personally quite agree with you there, that for the domestic trade it is an impossible position.

COMMISSIONER WHEATLEY: You have 60 per cent. of them already working some place?

A Yes, they are doing that; but these figures don't include their earnings during that six or seven months.

THE CHAIRMAN: Oh, obviously they don't, but they do indicate to me that they must have other earnings; these earnings won't keep a family for a year.

A No, those earnings wouldn't justify any reduction, certainly, if that is all a man could earn in a year, unless the reduction would furnish him an opportunity to earn \$1000. where he gets \$700. now.

Q I quite catch your point there, that you say that, even so far as the coal industry is concerned, reduction is only justified if it results in a greater aggregate in yearly earnings?

an impression like the impression for a long time

say, "Now, I am a teacher, during the rest of the day

I am not going to wait at anything else; I won't be waiting

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A If it results in a greater aggregate in yearly earnings.

Q Well, does it occur to you that the number of men who can permanently follow coal mining will be limited by the number that can get complementary - that is one fitting into the other - occupations?

A No, I don't think so, although the wages in the mines, being higher than they are on the farms or in any other occupations in this country, naturally the men will leave those whenever they can work in the mines; they will come to the mines; there is a surplus of labor at the mines every fall. It is not only in the fall, it is continuous. The struggle to get into the mines indicates that it is an economical law working, that when you get wages higher in one industry than another there is an attraction there that brings in men and if that was not there they would not be there trying to get into this industry.

Q Does that press of men to get work result in each individual getting less work?

A Oh, no, when a man is on he does not change; when a man gets into a mine in the fall, unless he is discharged for a reason, he is there until the mine closes in the spring, if he wants to stay; they don't shift crews.

Q Is there, in your opinion, any over-crowding of the men that interferes with the men's capacity to earn?

A I don't think there is; that is a thing that is just as prejudicial to the mine as it is to the miner and an efficient mine manager does not over-crowd his mine.

COMMISSIONER WHEATLEY: How many more of those 40 per cent. that still remain here could be disposed of yet , in your opinion?

THE CHAIRMAN: Was it 40 per cent. left or gone?

A That is just a guess; it is not based on any figures I have compiled. I just made a rough guess that about 40 per cent. of the men who work in the mines are here now, that more than half of them have gone somewhere else trying to get other occupations.

COMMISSIONER WHEATLEY: The thought occurred to me, having in mind what you said about when you do want to run your mines economically and requiring a certain number of men , how many more of these do you think could be disposed of?

A Well, I don't know; that is something that the men would have to determine for themselves because there are some men stay who haven't even employment on the off days that are working now; there are men around here who are not actually employed at all; but most of the men that are here are still on the pay rolls and working on the occasional shift that the mine is able to offer them. Those men are making a little money, not much. They get an odd shift; whenever the mine can sell the coal we put on a shift and work a day.

COMMISSIONER WHEATLEY: So that it is essential to have a certain number?

A Oh, yes, there is a certain number of men that are required to be here and I think the pretty big majority of those that are here now have employment on the odd days, which is not very much, but they are still employed.

Q It could not very well be closed down entirely, then?

A No, not very well; if we closed entirely we might save money

for the operator but you are doing exactly what was done during the strike, you are building up another fellow's market; he gets out and gets your customer for that odd car he wants and if a Carbon wholesaler goes to man and sells him a car of coal a little less and he undertakes to sell it and gets his customers to buy it, you go back, he says, "Well, I have started to buy this coal and I have got my customers using it and it is a little less price and I will just stay." In order to keep them from getting another coal we would like to keep our market and give them what coal they want during the summer time.

THE CHAIRMAN: You say what happened during the strike. As compared with your competing fuels, do you think there has been more interruption of your supply than there has been in other fields?

A Oh, there was more interruption than in the non-union fields; they worked right along and some of the union mines in this field worked through the strike.

Q But, looking away from the Province of Alberta to other competing fuels?

A Well, last year - during the war times most of the strikes we had were offset by similar strikes in the United States occurring about the same time but the 1924 strike was a Canadian strike; it did not affect the ^{Americans;} markets; they did not have a strike.

Q In your opinion, did that have anything to do with your losses in the Winnipeg market?

A Oh, yes, that gave them an opportunity to get started there which is hard to get back.

Q I would like to get the general attitude of representative

operators throughout the Province towards the labor organizations. Is yours a union mine?

A Yes, sir.

Q Have you anything else to tell us as to your general attitude towards labor unions?

A Well, I am not unfriendly to labor unions. I have come to the conclusion that no big industries such as the coal industry will ever be operated without an organization among laborers of some kind; it might not be this organization or that but there will be some organization, and it is not only inevitable but I think experience has proven that it is desirable. The kind of union you have and the kind of men who are at the head of it is a very important factor, though.

COMMISSIONER WHEATLY: Is your relationship friendly with these organizations at the present time?

A Yes.

THE CHAIRMAN: This interruption that occurred last year and which hurt your business and resulted, of course, in loss of earnings to the employees was not a desirable thing in itself?

A Oh, no. No, no strike or industrial warfare is desirable in any industry.

Q Have you any ideas how such interruptions can be prevented or minimized?

A Well, not by law. Peaceful arbitration by agreement is a very good thing and should in most instances result in settlement of any disputes. There comes times, however, when it looks like it is almost impossible to avoid a strike. While I agree it is not desirable, it is something that is very hard to get

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away from. I would not have any remedy that I could offer.

I would think I could be a pretty big man if I could tell you how to avoid strikes in the coal industry.

Q It has been suggested it would help if there was more real information available to both sides.

A Well, there may be times when information that would be of value to the miners is withheld but I don't think there is much to that; I think they can get any information they want if they will come to any operator. There is so much publicity to the industry, so much required in the way of monthly reports and the inspections that there is hardly anything that you could say is a secret in our industry; it is all public. Very often I find that the officials of the miners' union know generally more about the industry all over the province than I do myself.

Q Well, that being the case, what is your attitude towards the proposal for joint advisory councils in the mining industry?

A I cannot see any advantage in a joint advisory council except it is limited to certain features of the industry. I have given that matter some thought. There are some features of the industry where that would be beneficial but when you undertake to divide the authority in the management and general conduct of the business you destroy the efficiency absolutely and if any joint advisory council went to the extent of dividing the authority of the management you will destroy the industry.

Q I don't think it is intended to do that; I think it is intended

to afford an opportunity for studying out together what is, after all, a common problem.

A I don't think there is any right-minded operator but what will welcome co-operation of that kind, and if your joint advisory council is limited to features of welfare work and things of that nature; it is only when it comes to questions of management of the business and the industry that it would be dangerous.

COMMISSIONER WHEATLEY:

Q In what way would it be dangerous?

A Well, you cannot divide your authority and continue efficiency especially where you are dividing your authority with people who have very opposing ideas.

Q You would still retain your right, I presume, under even a heading of that description; but where you have a considerable number of employees that are daily in contact with the mine and with the running of the industry generally, would you not think that you could get some advice that would be to your advantage, too?

A Very likely. I don't think you would find the people who propose joint advisory councils want to limit it to advice; they want authority.

Q Well, it doesn't say, advisory council is not an authoritative council.

A Yes. There is nobody but what can be benefitted by good advice in anything.

Q Why did you interpret that as a Communistic theory?

A I don't recall that I said anything about Communistic theory.

Q I will give you your answer, to refresh your mind.

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

(Reading from Questionnaire:) "What have you to say as to joint advisory councils? setting up - - - /?" Your reply: "We are opposed. This is a Communistic theory and impracticable."

A Well, I still don't recall the fact that I said anything about Communistic. I beg your pardon, I thought you were referring to my answers here.

THE CHAIRMAN: Question 90.

A That was just putting in very short and concise language my general opinion. The theory is more or less Communistic and it is impractical.

COMMISSIONER WHEATLEY: Well, I am not going to press the point.

A That, of course, is taking the theory that joint councils were of a nature to have joint control and management of an industry.

THE CHAIRMAN: That is why you made this comment?

A That is why I make this comment. If you limit your advisory councils to the nature you describe, of course, I would not have the same objection to it.

COMMISSIONER WHEATLEY: This is to be fully understood, that the general advisory council is to be fully advisory. There are so many

questions in common and have mutual welfare that it is essential to come together to discuss them?

A I certainly think if there could be more friendly co-operation in the matter of working out an extension of the markets and the economical production and the different problems which, whether justified or not, the operator has got the impression that instead of being assisted in those things he is more or less handicapped and hindered.

(Reading from the transcript: "What have you to say to
this?")

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THE CHAIRMAN: Well, would it be worth the expense and time and effort to take more active steps to educate your men on those problems? I have noticed reference in various places to committees of the men travelling around among the customers of a coal mine to study the problem for themselves.

A There is all kinds of factions among miners, you know. As is well known, there is certain factions that have such a great distrust of anything that an operator would propose that you could not get near them. There are a great many other men who haven't that and would be quite amenable to any co-operative scheme or educational scheme, but I can imagine what would happen if the operator attempted to do anything of that kind; you would get the worker from Toronto or some paper of that kind - they are suspicious; it is an operator's scheme, therefore it is bound to be wrong, no matter what it is, that makes it wrong.

COMMISSIONER WHEATLEY: But you do feel there is a majority element that are amenable to these kind of actions?

A I hope there is, Frank; I have always wanted to believe that.

Q It did not read right to me when I looked at this reply, and I am glad you have made that correction because I feel, myself, if you are going to make progress in your endeavours that you undertake in the industry, and if we are going to get anywhere with certain adjustments, it is vitally essential that we come together on these matters. We may come together under some strain every two years when making the agreements but there is a period in between that when far more can be accomplished than at those times?

A Oh, yes, there are. No doubt there are a great many problems that are mutual between the operator and the miner because, in any industry, the wages that are paid to the employee must come out of the production; that is the element and if there is no production there can be no wages. If there is anything that will increase production it will produce more revenue to the working man. Following up those elementary propositions, then, it becomes of mutual interest to both the operator and the miner to increase production if it is possible.

Q Quite so. And, on the other hand, I hear operators say, in order to extend our market, in order that you people may live within range of what you can earn, we are prepared to go in with you on some scheme of co-operative buying so that you may live within decency far better than what we are doing at the present time. It seems to me there is not enough of this co-operation because it is just as vital to have the worker satisfied in his living conditions as what it is with you with your working conditions. I think there is a mutual consideration for both.

A I think the feeling is mutual.

THE CHAIRMAN: Well, we have only perhaps a few minutes before we adjourn. We are getting comments as we go along on the ^{and} present Mines Act/regulations. Have you anything to say about the Mines Act?

A Oh, I think there are men who are better qualified to speak on that than I am. I have discovered that some of the criticism

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know that are mutual between the operator and the mine

is not, is it? I think that is the case

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it is a possibility.

Q Oh, yes. And, on the other hand, I have seen people who, in

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mutual consideration for both.

A I think the mine is right.

Q Oh, yes, but the mine is not the only thing that is important

to the mine, is it? I think that is the case

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I levelled at the Mines Act quite recently are not as serious. I had a matter up with the Chief Inspector this morning about electrifed equipment. He says that they have a regulation now that makes it permissible and we thought it was barred by the Mines Act. If the Mines Act is rightly interpreted it is a very beneficial law, a necessary law; you can put too much into a Mines Act, as you can into every other regulating Act, and make it too much red tape. We have felt sometimes that the Province has gone farther in its regulations than was absolutely necessary but we have too realized that the regulations are made for a big industry covering a wide area and they are made more or less general. Sometimes a regulation that is put on a mine in a district is an irksome one and would not be necessary, that may be quite justified somewhere else.

THE CHAIRMAN: Would it be possible to discriminate between districts?

A Well, in a limited way it would but it is pretty hard to make a general regulation that is applicable all over.

Q Have you any specific recommendation to make on that?

A No, I haven't. I think there will be several mine managers before you; they are the fellows who find more reason to recommend changes in the Mines Act than I.

Q Any comment on the Workmen's Compensation Act?

A No, that is a very good Act if it is properly administered. We have had objection that the rates have been going up mighty fast in the last three years.

COMMISSIONER WHITLEY: So has the general price of your coal and wages.

A Well, the prices have been going down on coal and compensation went up.

THE CHAIRMAN: Any remedy to suggest for that?

A There is no remedy except careful administration and to see that the Act is not imposed upon by designing individuals. We have had cases where we felt that there was perhaps more compensation coming to the man than he got and there have been a lot of other cases brought to our attention where men were believed to be malingering and imposing upon the Commissioner. The only way I see to alleviate increases would be to have very careful administration of the Act to see that perfect justice is done.

Q It was suggested to us in Calgary that the workers, who are interested with you in this cost being kept down, in common with all other cost on the industry, and perhaps if there is ~~there is~~ malingering going on public opinion among the workmen would help check it, if their wages were increased sufficiently to cover the compensation levy and then the workmen paid it direct by deduction from their wages they could see - -

A Well, I don't think you could make your workmen satisfied if you made any arrangement to have him pay the compensation. They don't look upon it as a matter which should be paid by them and, even though you made an allowance in the beginning, within a short time they would forget it and they would begin to say, we pay it. I think an illustration of that kind, that Mr. Wheatley will bear me out in, in the matter of screened coal, when we pay the miner on the basis of screened coal, which is done in all domestic fields nearly, we raised the price of the coal to cover the difference between mine run and screen coal; the fellows who made the agreement and for

some time, who could remember that, were quite satisfied but in the recent years they tell us we don't pay anything for the screenings; ~~this-screened-eesl~~; we are losing that. You can make the adjustment but it won't stay made. I don't think that you can ever make the workmen pay this compensation; it is something that the industry will have to stand.

Q What would you think about a half and half arrangement?

A Well, you would have the same objection to that. They might get some form of accident insurance along with the compensation but if you did you would have to increase the amount paid so that I don't see that it would in any way relieve the taxation.

COMMISSIONER WHEATLEY: You are I are fairly well agreed on that. I feel that the industry is the right place to place the indemnity and seeing there is so many complaints from operators against the expense and complaints of that description coming from the men, that they can't get sufficient, there is evidently a margin somewhere?

A Yes; the original compensation acts were not only humanitarian in conception but they were just; the idea of a Compensation Act was an Act which would be beneficial to both the operator and the miner. Under the common law the operator had the liability and the industry carried the liability for all accidents which were attributable to any neglect or responsibility of the operator or the industry. There were certain accidents and certain damages which might accrue through accidents for which the industry was not responsible and so not liable. It was conceded to be a better idea to kind of split the

difference and say that every operator and every industry was liable for all accidents, whether they were caused by negligence of the operator or his fault or not, and somewhere between the full liability and no liability there should be a split. But the trouble is the employee who goes into a thing of that kind and argues it and secures enactment into a form of law, then begins to establish full liability for all accidents regardless of whether there was any legal liability or not. If you keep the liability at a point where it is somewhere between full liability and no liability and say that it is general and universal, the Act is not only beneficial to the miner, it is equally beneficial to the operator and the industry and should be taxed to the industry. If you are going to go to the extreme, however, of saying that an industry must be responsible for everything that occurs whether there was any responsibility in a legal way then you are going too far with your compensation.

Q At the present time you have no complaints against it?

A No, I would not complain about the Act. We have heard considerable complaint about the administration, that it wasn't carefully enough administered and there should be more care and caution.

THE CHAIRMAN: Just in what respects?

A Well, in the matter of seeing that men receive the compensation to which they are entitled and no more and that they are back to work when they should be back to work.

COMMISSIONER WHEATLEY: It seems to be one of our big problems that

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is where the biggest part of the contention is, the two points you have mentioned. Do you imagine, though, you could get any better form of insurance through any private company with these benefits?

A Oh, yes, before the Compensation Act the rates to the employer were about 1.25; we are paying 3% now.

Q What were the benefits in those days?

A The benefit was protection of the employer against his liability. However, his liability was limited; it was not extended to liability for every accident; it was common law liability against which he was insured.

Q Then there was a maximum of \$10. for an injured person and \$1800. for a fatal accident. After that \$1800. was used up then people came on the taxes to bring up that man's family. To-day that is all changed.

A₁ Oh, I am not making any argument with you about the Compensation Act; I am merely saying that we know this, that the number of accidents seems to be increasing and I have heard it said by a number of operators that they do not believe there has been an increase of two to three per cent. in the actual accidents; there must be a reason for the increase from 1½%, which we paid the first year this Act was in force, up to the 3% we pay now. The assessments seem to be going up all the time. Now, if it is not due to an increase in accidents then it must be due to a careless administration of the Act and paying of indemnities that are not called for.

THE CHAIRMAN: Do you know specific cases?

A No, I wouldn't want to mention any.

Q Well, if you had any wouldn't you take them up with the Board, in any case?

A Yes, they are taken up continuously; I think that, just expressing my personal opinion, that the Board is giving a great deal closer attention to the matter of compensation and, as I say, I have had one or two cases where I felt that the Board was not as liberal as they might have been, perhaps, so that it is not always a case of carelessness in any one way.

Q Well, now, speaking generally, have you anything to offer for our consideration looking towards the improvement of the industry?

A Oh, I don't think so. Perhaps I have talked a lot more than I should now.

Q We have asked you questions and you have been good enough to answer them very fully. Thank you very much.

Adjourned until 2 o'clock P. M. to-day.

.....

2 o'clock P. M., Thursday, May 14th, 1925.

G E O R G E V. T U P P E R,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your company, Mr. Tupper?

A Rosedeer Coal Mining Company, Limited, Wayne.

Q And your position with the Company?

A Manager, General Manager (also Manager?) .

Q How long have you held that position?

A About eleven years, ten years and a half.

Q Any previous connection with coal mining in Alberta?

A No.

Q Any previous connection with coal mining elsewhere?

A No.

Q We are anxious to get some opinion from the coal operators of the district on one branch of our enquiry, and that is, an estimate of the coal reserves of the province, of the Drumheller district as a coal area shown on that map, and we had an estimate from Dr. Allan as to the coal reserves in it. Are you in a position to make a rough estimate of the amount of coal lands?

A No, I wouldn't attempt to make an estimate; I don't feel qualified that I could make an estimate where the coal exists.

Q Dr. Allan has estimated 20 feet of coal in the various workable seams. Is that in agreement with your experience?

A Our coal seam in Wayne runs between $7\frac{1}{2}$ and 8 feet on the average.

Q Any other seams that could be worked on your property?

A There is a seam above of it of 36 inches, or at least there is two, one is about 2 feet and the other is about 3 feet, but they are not profitable to work at the present time. It is very good coal but I don't think any operator would consider it, working under conditions where you have a low^{er}/seam with 7½ feet of coal.

Q After you finish with working your lower seams would it still be possible to work these upper seams?

A Oh, I think so; there is eighty feet difference and I don't think it would affect the upper seams at all.

Q Any lower seams?

A Not that is known; not that we know of, no.

Q For working purposes, would you think the area you know about, particularly the coal seam, could be estimated at how thick?

A About 7½ feet.

Q And possibly another three feet?

A Well, the three foot seam could be worked if market conditions would favor it,

Q I notice in your answer to one of the questions in our general questionnaire, you stated that you, in some cases, paid rates higher than the regular scale. Can you give us an explanation of that?

A Yes, for our drivers we pay practically 30¢ a day, and all our underground rates are the same as the timbermen's rate or the rock men or any labor underground is the same as the skilled labor; it was put in at the time ^{under} Mr. Armstrong -

he issued an order at one time that all rates in Wayne would be so much underground and that applied to every man. You could take a green man in the mine that had never seen a mine and he got just as much as a skilled miner.

Q You are still paying those rates?

A Not the same rates but we are still paying on the same proportion.

Q Is that satisfactory?

A No, it isn't.

COMMISSIONER WHEATLEY: Was that custom not in effect when Mr. Armstrong decided it should remain?

A There was a great many different rates paid in Wayne and there was strikes and a lot of confusion there. Some new mines were starting up; in fact, I know of one mine that paid 7.50 - or, I wouldn't say 7.50 but they were paying the same rates outside as they were paying inside, for one or two men, it is a small mine; and the rates were so mixed up that Mr. Armstrong just issued this one order, that these rates apply underground, and it was just at the time of the year it was accepted for some reason or another; we should not have accepted but we did, and that is why we got into the difficulty and we have carried it ever since. I think that was '17 or '18, I am not just sure.

Q You stated for some reason or other this was accepted at that time. In order to get drivers and men of ability, I believe certain companies in this valley paid 7.50, the same as they would pay to the miner, or at least the miner's rate at that particular time. The chance was given to correct this but

when it was not corrected and the District 18 rates put into effect, Mr. Armstrong established this particular rate as a punitive rate. You were taking the very best drivers away from some of the other camps by paying a higher rate and Mr. Armstrong so ruled that by you taking the very best this punitive rate would be established at those particular mines.

A Well, that has been used, Mr. Wheatley, all through these arguments, that certain operators did certain things and therefore we would be punished by it. We quite admit that we, for one company, have been very severely punished and I don't say we are guilty but we have had to stand this iniquitous ruling for seven or eight years and carry on in injustice with our competitors for all that time on account of- well, organized labor and a very short-sighted policy on Mr. Armstrong's part.

Q It is the custom, though, in District 18 that where high rates have prevailed they be maintained?

A Oh, yes, that was customary, with making these agreements, because the agreement was all made with those clauses in; there were simply percentages of reduction and of working conditions, the same conditions prevailed. If you got caught in anything high you simply carried on and it has been right through all these contracts; we have had no chance to get clear of any of them or no chance to get down in fair competition with our competitors; we simply had to carry these agreements through.

Q In just the same manner, by giving more attractive prices in the first instance, you robbed the others?

A Well, I don't know whether you mean me -I won't take that ,

because I don't think it is fair; I don't think you have any right to say we as a company did this.

Q Well, those that established this custom.

A Well, that is all right. We won't take that because I don't think that it is fair to our company to say that we did this but, unfortunately, I have been in a great many of these (meetings?) trying to make an agreement and it has always been thrown up to us that, "You did it", and I don't think it is fair.

Q Oh, I wouldn't say it was your company any more than any others because there were other companies besides yours.

THE CHAIRMAN: It was some other company in Wayne that did it?

A Well, there were several different prices paid in Wayne and, in order to get that all harmonious, and that was just the whole object on Mr. Armstrong's part, and he issued this order that all mines in Wayne pay the same wage for all labor underground and any other conditions there through it applied for to equalize the rate and stop argument and get the settlement. We had a lot of trouble there in Wayne a few years ago and, of course, Mr. Armstrong's order, it was accepted. While all of Mr. Armstrong's orders were not accepted, in one particular case, that was, anyway.

Q The feature struck me as unusual and I did not understand the explanation. Were you here most of this morning to hear the discussion?

A Well, I was in from about half past ten.

Q Perhaps you did not hear it all. The feature that has been brought before us most strongly with reference to this district in particular by the answers to questionnaires is that the

the number of mines is excessive and various suggestions have been made for dealing with that condition. What are your views on that subject?

A Well, there is no doubt there are far too many mines for the business that we have and there is still mines being opened up but I would not say that they should be closed or stopped any more than it would be better, no doubt, for all the ones that are in business to see no more mines coming into operation but I question whether anyone could justly say to close all business or any further business. I don't know as it would be a wise plan. It may be that some influence - I wouldn't say legislation, but something can be done to limit possibly any more mines for some time.

Q Have you any actual suggestions to make along that line?

A Well, I don't know as I could any more than possibly the Dominion Government leases could be restricted to a certain - well, financial conditions in opening up mines or the leases could be withdrawn, but I guess there is other companies that have lots of coal lands, possibly it would not make a great deal of difference, though. I believe the C.P.R. and Hudson's Bay Company have a lot of valuable coal leases and I don't suppose that any law could be passed to ~~apply to~~ stop any of those leases from being operated.

Q What is your view on the wagon mines, so called?

A Well, there is no doubt we have had competition of some ~~kind~~
of the small mines ^{that} has been pretty hard, they are able to operate very much cheaper than the larger mines, in a way, less equipment, less overhead, and there is no doubt at

seasons of the year they sell their coal possibly cheaper than we do. We have to maintain a staff the year around and keep our property up and pay our taxes from year to year and it means a very heavy overhead that the wagon mine or the very small mine that has not much machinery or equipment, they can work when they have a little business and close up; naturally they could sell coal cheaper than we could and, then, most of them are not under the union and they would not be restricted to union conditions, but I notice that they can always sell coal, and I think the small mine has a tendency to aggravate the coal situation in Winnipeg or any other eastern points; they come back and say, "Oh, we can buy Drumheller coal for so-and-so." Well, it may be only one car but still it is something to set the price lower for the other operators. Possibly if we did not pay any attention to that and went on and kept to our original prices and went on it would be better for us, but some people cannot seem to have anybody quote a lower price but what they think they must follow and therefore it reduces our prices and, of course, reduces our profits, whenever there is any.

Q It has been stated that the competition of this cheaper coal and perhaps more particularly the distress coal saleable in Winnipeg has been one of the causes why dealers there have ceased handling Drumheller coal. Have you any - -

A Yes, it ^{has} ~~is~~/no doubt had a big effect on the coal industry to Drumheller. The fact of mines loading up a lot of coal and waiting until they can get orders or shipping it to points where they have no orders, expecting someone there to

take care of it, and generally that kind of coal has a lot of demurrage on before it leaves here, then it gets a lot at the other end and the price is whittled down and it is sold away below cost. The demurrage law, I believe, is \$5. after the third day, and it is pretty expensive to keep a car of coal lying on the track.

Q Have you any suggestions for remedying that condition?

A Well, I think that all operators ought not to load any coal that they have not any orders for. I know we don't intend to and haven't at any time loaded any coal that we have ever had any demurrage on - I wouldn't say any, possibly we have one or two cars, but I understand there is mines that have loaded dozens of cars and they have got caught heavy on demurrage and also had to sell their coal at a reduction in price which cuts the price for all other mines.

Q Well, to meet this general problem of marketing in an orderly manner, have you any suggestions particularly, any ideas along the line of ~~xxx~~ a pool or anything of that sort?

A- Well, it is a pretty big question to answer and there is a great many things that would have to be taken into consideration in regard to marketing the coal. There is no doubt in the world that the Drumheller field could, if they saw fit, help themselves considerably in their marketing of coal.

Q In what way?

A Well, I notice in this morning's evidence, we had one of the operators stating, in reference to the amalgamation of the coal mines, in the selling end of it, if that could be

done. That is a problem. If it could be done I think it would be one of the greatest things we could do in the Drumheller Valley. The whole question is that this matter has been up several times but it always comes back, How are you going to do it, or what can you do? But all over the world we see combinations or different interests getting together and marketting their goods or products through one selling organization, which must cut down the cost, and also it would stabilize the coal from this Valley. Of course, it was mentioned about with the different grades of coal, of which we have the lower seam and the upper, but I think if a proper selling organization could be formed that there could be ways and means whereby this coal could all be placed in different territories or zones, as it were, so that they would not be conflicting with one another. If one grade was better than the other I think there could be some method worked out that would help this valley a whole lot. You-see,

Q You say the difficulty has been in the detail of working that out.

Do you yourself think the difficulties can be overcome?

A I can't see why it can't. It is up to every individual operator to give and take, providing such a thing can be done, that is, - well, he could simply copy from some other organizations that have made a success of it. I understand in the United States - I see where there is one place there is seventy different mines have amalgamated. I believe they have amalgamated the mines and the selling interests too but I would not want to say just how, but I cannot see why it cannot be done, and I ~~would~~ know it would be a big factor

...the ...

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would be no more worry about the coal, and the people
in different territories or zones, as it were, so that they
could get the coal at the same price. It is not
better than the other I think there could be none method
... the ...

in selling coal here, that contracts could be taken whereby you would not have somebody coming along reducing the price a little while afterwards. I know we have had contracts, small contracts for small coal, and started out early in the fall. Well, after a month or two somebody would come along and undercut you. They had a surplus of this coal and you simply lost business.

Q In spite of a contract?

A Well, I would not say a contract. We have made a verbal agreement with somebody to take coal at such and such a price. There has never been any stabilized price of slack coal and if you could get a certain price and and further get a promise that they would take so much coal from you, pretty soon they would say, We are filled up; we can't take any more. Well, a while afterwards somebody else is supplying the same order for 25 or 50¢ less a ton. There was a time here they were loading slack coal on cars for the sake of anybody paying the freight and there wasn't very much profit in that. With an organization in selling I think a lot of this business would be overcome and then it would eliminate paying - I think the average price we are selling coal in this valley is 35¢ a ton by wholesale. There is no doubt in the world if all Drumheller coal which was considerably over a million tons a year ago, could be sold at a reduction on the selling cost, it would be a big item to the operators.

Q Have you ever calculated what reduction might be made on the cost?

A Oh, I don't know; I should think, though, that it would

you would not have anybody coming along and taking the price a little while afterwards. I know we have had good coal, small contracts for small coal, and some of our coal in the fall. Well, after a month or two somebody would come along and take the price a little while afterwards.

In spite of a contract?

Well, I would not say a contract. We have made a verbal agreement with somebody to take coal at such and such a price. There has never been any established price of black coal and if you could get a certain price and and then get a promise that you would not be able to get a better price than that, you would not be able to get a better price than that.

There was a time here they were taking black coal on our for the same as anybody saying the price and there wasn't very much profit in that. With an agreement to sell a lot of coal, you would not be able to get a better price than that. You would not be able to get a better price than that. You would not be able to get a better price than that.

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almost be cut in two providing organization was carried out and got working successfully.

Q What would you do with the extra production capacity of the mines above the orders that were available?

A Well, of course, we cannot expect to operate these mines any more than what the public will consume and that, of course, is governed by prices, what prices we are selling at, and what our coal will cost us.

Q How would you divide up the available orders, then?

A Well, that is something that would have to be worked out by this pooling arrangement. I would suggest in that arrangement, certain mines in the slack season, that is the mines that could not be, like, closed up - there is some mines in this valley you cannot close up; there is others you can close up for three months without very little repairs - if you could close up part of the mines that you could close without damage to them and work the mines that you would not want to close, that possibly you could probably give a certain amount of employment; but I don't think for some years to come that this lignite coal will be handled very extensively for about three to four months in the summer season unless there is business we don't know of at the present time.

Q Would you think a pooling arrangement like that would get you into any difficulties with the interests of the individual operator, that it would almost lead back into a merger?

A Well, that is what I think it practically comes to; it is a merger the same as any other organization that is banded together to help their own interests. Take the United Mine

Workers, you wouldn't call them anything but a merger.

Q But there is no objection to a merger, but I was asking you if you didn't think it would really mean a merger of the actual mines themselves as well as a selling arrangement.

A Oh, it is hard to say. There is the difficult point in getting say twenty-five or thirty mines to amalgamate together to sell. It is a hard problem to do. They are all owned by different interests and different people living in different places and ~~xx~~ that is the difficulty here. It has been talked over for years here but there has never been anything done.

Q Well, either under a pooling arrangement for selling or an actual merger of the mines, what do you think would happen in the case of new mines opening up?

A Well, I suppose it would only be natural for the pooling interests to get control of those, too, or to get them into the pool; if they didn't they would have some outside opposition, I suppose.

Q Then, having regard to that feature and having regard to what you have just told us about the independent ownership of coal, do you think that constitutes quite a difficulty in the way of a merger or pool?

A I don't just understand your question.

Q The possibility of new mines opening up continually, do you think that would make quite a difficult feature?

A Well, I suppose it would all depend on the success the pool gave to the mines that were in it. The outside mines, if it was not to their interest, would naturally stay outside; if it was to their interests to go into the pool they would

workmen, you wouldn't call them anything but a mob.

But there is no objection to a mob, but I was asking you

if you didn't think it would really mean a merger of the

actual mines themselves as well as a selling arrangement.

Oh, it is hard to say. There is the difficult point to consider

of the difficulty of getting the mines to sell.

It is a hard problem to do. They are all owned by different

interests and different people.

and that is the difficulty here. It has been selling over

the years and the same has been true.

Well, either under a pooling arrangement for selling or an

actual merger of the mines, what do you think would happen in

the case of the steel companies?

Well, I suppose it would only be natural for the people

interested in the steel industry to get together.

the pool; if they didn't they would have some outside agency

to handle the business.

What, getting together to get the steel industry to sell?

What you have just told us about the independent ownership

of steel, the fact that the steel industry is a monopoly

and the fact that the steel industry is a monopoly.

I don't know whether you are talking about the steel industry

or the steel industry in general.

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probably try to get in.

COMMISSIONER WHEATLEY: It would be under a handicap if the pool ever established itself in the market and having first claim and the new mine having to establish a market, it would be under a very heavy handicap, would it not?

A The new mine?

Q Yes.

A I should think so.

Q It would be a deterrent against new mines opening?

A Unless new mines were benefitted by coming into the pool, provided they could get in.

THE CHAIRMAN:

/Q And you say considerable thought has been given to this but at present no definite suggestion is in your mind how it could be worked out?

A No, I couldn't say that we have gone into it far enough to make any suggestions just how but it has been brought up several times in our association meetings and never anything done that would start anything like that going.

COMMISSIONER WHEATLEY: Can you suggest any outside influence that would help it along, any other source?

A Well, we had one time here - I think it was last year, a man that had been quite success^{ful}, I believe, in the shingle (sugar?) industry in B. C., he tried, in fact, he gave us an address in Calgary one time, just merely outlining his idea of a pooling agreement and so on and most of the operators in the Drumheller field were there and he had some very good ideas but he did not go ahead any further with it or try anything more to get the proposition under way; he simply

probably try to get in.

QUESTIONS ANSWERED: It would be under a hundred in the last year.

QUESTIONS ANSWERED: It would be under a hundred in the last year.

new mine having to establish a mine, it would be under

very heavy machinery, some 15 tons

The new mine

Yes.

I should think so.

It would be a heavy machine, some 15 tons

Unless new mines were benefited by coming into the field,

provided they could get in.

and the big machinery is heavy and would take a long time

at present no definite reservation is in fact made in

could be worked out.

No, I couldn't say that we have gone into it for a long time

make any suggestions that how far it has been working in

working in the field, the machine is heavy and would take a long time

one that would start anything like this point.

QUESTIONS: Can you suggest any other suggestions that

working in the field, the machine is heavy and would take a long time

and the big machinery is heavy and would take a long time

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made a proposition to us as operators to see how we would take it and it was talked over among the operators but nothing further was done on it.

Q You have not called in a marketing expert who could advise with you on these matters?

A No.

THE CHAIRMAN: To come to one particular feature of marketing that we heard about in Calgary, that is the short weights on delivery, have you any experience with that?

A You mean in the railway cars?

Q Yes.

A Yes, we have had quite a few complaints.

Q A dealer who was telling us about it could not offer any explanation of the thing at all.

A Oh, I think there is some genuine cases of that; there is others that I think are possibly questions where - I would not say they would be genuine or not but we have quite a lot of complaints from ^{one} our agents in Calgary - I just forget the amount of loss he had in ten cars; I think he weighed out over his own scales but there has been - - last year there was more complaints on weighing of coal than any other year since we have been in the business and before it was checked up or before the Government got busy and checked the matter up with the Weights and Measures Department the matter had got through to Winnipeg; a lot of the Winnipeg people began to kick and all over the country, more so than any other year. For what reason, I don't know. We tried to check up on the scales at Wayne and there was a man came out from the Weights

with a suggestion to us as operators to see how we would

You have not called in a marketing expert who could advise

with you on these matters?

we heard about in Calgary, that is the about right on

delivery, have you any experience with that?

The same in the Calgary area?

Yes, we have had calls from the Calgary area.

A dealer who was telling us about it could not call any

regulations of the State of California.

Yes, I think there is a regulation in the State of California.

Yes, I think there is a regulation in the State of California.

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Yes, I think there is a regulation in the State of California.

& Measures of Calgary and tested the scales and declared them absolutely correct.

Q Did he check the tare on the railway cars?

A No, I couldn't say to that; that is one question, whether the tare on the cars - sometimes in a hurry they are put in without being weighed but usually the railway tare the cars.

Q That was brought forward as quite a factor and not explained and it seemed to me there must be someone who knew the explanation.

A There has been a lot of cases there where the men that unload the coal - generally the coal is unloaded possibly a ways from the office of the coal dealer and naturally there might be lots of cases where coal had been taken or taken from the wrong car and when it come to the final weights there is a shortage. I would not say that the men that unload the coal take it, but I believe - there is one case, I think it happened at Delisle with ourselves - there was two cars of coal and two different dealers and there was a farmer come in for a load of coal and he was sent up to a certain car to get it and I think he went to one of the cars that was unloaded from our mine and he took it ~~away~~ where he should have taken it out of the other car and the matter was not corrected until some little time afterwards. This party that weighed the coal out found one car run over and the other run under; they got together to correct it themselves; they found out from that man that he had gone to the wrong car. That corrected the weights in that car. That was just one instance that we know of that was correct. It was

just a mistake and there may be lots of mistakes made like that.

Q Well, is that question of short weight, in your opinion, much of a factor in trade?

A It has not been up till last year; last year it was serious.

Q What are you all doing about it if it was serious last year?

A Well, we tried- we have had the scale inspectors out there and when we start another year we are intending to follow up the weighing of coal very closely from the scales here in Drumheller^{and Wayne} and find out if there is any discrepancy in or anything that would make - or try to stop the question coming up again, if possible. We find the railways very accurate and very thorough with their weighing and very careful.

Q Have you any general recommendation to make to this Commission in respect to that matter that we might follow up and look into?

A Well, I think all cars should be tared before loaded. Oftentimes a car may have - we find that quite a bit of cleaning out - the car might have had stock in it or might have had something where there is considerable stuff left in the bottom of the car and unless they notice that when they are weighing the car there is no - or they might possibly weigh the car with that in it and tare it that way.

Q That would not make any difference if they did that?

A I know there is a lot of difference in the cars in the rainy season or season when there is snow or ice may make ~~ix~~ a difference.

W. H. L. 1884

Just a mistake and there may be loss of reputation and time
that.

Well, is that question of about weight, in your opinion,

much of a factor in trade?

It has not been up till last year; last year it was decided.

What are you all doing about it? It is very serious, I am afraid.

Well, we tried - we have had the matter discussed and the

and what we have done is to have the matter discussed and the

up the weight of coal very closely from the market and

and what we have done is to have the matter discussed and the

and what we have done is to have the matter discussed and the

coming up again, it possible. We find the market very

uncertain and very difficult to deal with. We have

and what we have done is to have the matter discussed and the

Have you any personal communication with the market?

in respect to that matter that we might follow up and look

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- Q I note in your replies that you suggest there should be a revision of the freight rates from Wayne to Calgary.
- A Yes, we have 1.70 rate from Wayne to Calgary. I think it is,-- in fact, we think there should be lots of revisions of freight rates but that is one rate that seems high.
- Q Have you compared it with a similar length of haul in any other places?
- A No, I don't know as we have; I don't know how it compares. It is certainly a lot higher than the Saskatoon rate.
- Q Of course, you understand the principle that on the short haul the terminal charges still have to be met at each end?
- A Yes.
- Q Have you ever made any application with reference to any of these rates to the Railway Commission?
- A No, not ourselves; the Association has or the operators have put different - they have gone, I believe, before the Railway Commissioners in regard to certain coal rates but I could not say to what extent or I don't think that we have ever got any reductions on that at all.
- Q That rate seems to you high but you have not really studied to give us the reasons?
- A No, I could not say anything more on that.
- Q In the replies to the questionnaire sent to the local unions, from Rosedeer Local No. 21, we have certain comments on the camp and we would like to hear what you have to say about them.

COMMISSIONER WHEATLEY: The statement is that there is no sanitary arrangements in your camp. What are the sanitary arrangements, Mr.

Q Now in your opinion that your answer should be a
statement of the fact that the Association has
in fact, we think there should be fact of revision of the
text but that is one case that seems right.

Have you compared it with a similar report of fact in any
other place?

A No, I don't know as we have; I don't know how it compares.

It is certainly a lot higher than the Association.

Of course, you understand the principle that on the part

that the financial changes will have to be made at each year.

Yes.

Have you ever made any application with reference to any of

these to the Association?

A No, not ourselves; the Association has on the other

have put different - they have gone, I believe, before the

Railway Commission in regard to certain conditions but I

don't say that I don't think it is a very good thing to do.

and got any relations on that at all.

That was done in fact that the Association has done

at this in the past.

It is not a very good thing to do.

It is not a very good thing to do.

It is not a very good thing to do.

It is not a very good thing to do.

That

It is not a very good thing to do.

It is not a very good thing to do.

Tupper?

A Well, just the same as an ordinary building with an out-building. We have wells there for water along the creek but there is no special arrangements made for any water system, sewerage system; it is out of the reach of any ordinary mine in this valley to make anything more than the ordinary out-buildings for sanitary arrangements.

Q What are those, pits?

A Just a pit in the ground, yes.

Q Are the sanitary authorities satisfied with that?

A Seem to be.

Q No recommendation for loose boxes?

A No; about two or three years ago there was an inspector came around and tried to suggest something but we thought that the present arrangement we had was better and could be taken care of in a better way and the matter was let drop there. We have been checked up once or twice, perhaps, on some of these places not being right up to order but we try to keep them - we have a man there that is supposed to look around there and keep things as tidy as possible.

Q In view of the fact you are relying on well water, do you consider it is advisable to have pits?

A Oh, I think so; it is a better system where you can close them up and dig more and that soil there is a hard soil; there is nothing could ever move in it; it is a kind of rocky clay, nothing would filter through it. If it was in gravel or soil like that it might be different but it is a hard soil, very hard.

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...that a pit in the ground, yes.

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...the fact you are relying on well enough, do you

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Q How do you acquire the water in the first instance?

A Well, you see, the wells are set out right along the creek and the water filters from the creek into the wells. You go some places forty or fifty feet away from the creek and you cannot get any water. It seems where the creek is it has been washed out and been filled again and it is through gravel that filters into the well.

Q It is only near the creeks that you have water?

A It is only near the creek you can get water.

Q What system have you for those that are further back?

A They have to carry it.

Q What do you mean by a filtered well? I see your reply is that your water is pumped from filtered wells in the main.

A A filtered well, it filters through the gravel into the well. We have examined the water- we had a test from the Department and the water is considered O.K. and there has been very little - there has been no complaint that I know of, anything ever coming from any water that has been used around there, and I think there is very little sickness in the camp.

Q Much infectious diseases in that locality?

A No, there has not been with us at all.

Q No typhoid?

A Well, we have had one or two cases there but no epidemic, nothing more than just one or two isolated cases, nothing to speak of.

Q Any tendency to trace the origin?

A Never has been that I know of.

THE CHAIRMAN: Under the subject of cost of living there is a recommendation that there be some control of extreme prices one has to pay at company owned stores, no others being allowed to build, in other words, a protest against control of living conditions in a closed camp. Is yours a closed camp?

A Closed camp, yes, sir.

Q No other stores there?

A No; well, there is a store up at the next camp above us.

Q How far away is that?

A Oh, a quarter of a mile or a little better, say half a mile, at the Western Commercial.

Q How do prices compare at your store with that other store?

A Why, we think our prices are reasonable and I have never heard anything to the contrary, of our prices being higher, any more than a legitimate profit. I don't think that they could be. ,Possibly on account of being a closed camp they might say there is a monopoly there in way but I don't think there is anything in it at all.

COMMISSIONER WHEATLEY: How do your prices compare with the Calgary prices, in your stores?

A I think in a great many cases they are cheaper.

Q There is a question from your locality that the prices be made more equal to those. That would give the inference they were higher. It is well to have your views.

A Well, I don't think they are; I am not prepared to say; I have never made a comparison in regard to Calgary prices but we find we are able to maintain the company trade, the

COO. N. 1111

THE CHAIRMAN: Under the subject of cost of living there is a

recommendation that there be some control of business

one has to pay as company owned stores, no other thing

allowed to build, in other words, a protective control

is being suggested in a variety of ways.

Ques.

Answer, please.

No other stores there?

No; well, there is a store up at the next camp where we

Now the way is that?

Yes, a quarter of a mile or a little better, say half a mile

at the Western Commercial.

Now do prices compare at your store with this other store?

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be, on account of being a closed camp they should

be, there is a monopoly there in way but I don't think there

is anything in it at all.

Ques. Now, what do you think of the suggestion that there be some control of business?

Is that correct?

I think it is a good idea, but I don't think it

should be a question of some control, and I don't think it

will be any of those things that will give the business

any advantage, it is just a way of doing things.

Now, I don't think that we are in any danger of being

controlled, and I don't think it is a question of being

controlled, and I don't think it is a question of being

farmers' trade there , we deal with all those people there and I cannot see if there was a few cents difference on anything that those farmers would send out and get the stuff but we are dealing and have for years dealt with the farming community there without any trouble or any dissatisfaction and still hold their business. I cannot see where that argument can come from any more than possibly a general argument around a camp. I suppose they are probably a little against the people that operate them but I don't think there is anything to it at all.

THE CHAIRMAN: Well, Mr. Tupper, on this vexed question of seasonal employment to fit in with the work at the mines, have you any suggestions to offer on that?

A Which point is that?

Q Seasonal employment at other work to fit in with the work at the mines. What time in the fall do you start up?

A Oh, generally the last of August, the 1st of September as a rule, sometimes we have started earlier but that is about when the business starts, along the latter part of August.

Q Is there any way in which your operation could be conducted so as to leave men free for harvesting in large numbers?

A Well, when you get any business, if you have business along in August - the crop is practically cut the latter part of August and as a rule the men will work in the mines if there is any work before they will harvest.

Q It seems unfortunate that those two things overlap because that is the big other seasonal employment.

A Yes, it is too bad that the mines didn't start say a little

later and continue a little longer in the spring and summer; it would be better for the railways, possibly, too.

Q Can you imagine any way in which mining in your mine of coal could be carried on in July and August and suspended for September and October?

A It is all a question, of course, of marketing; that seems to be - if we could extend our markets to get more - a longer run, of course, that would solve the problem; that is the big problem, no doubt, is to run longer and give more employment and cut down your own overhead; that is the big problem. As far as outside of the mining business, there is no doubt there is lots of things might be done if capital were available, possibly, to give more employment but it seems that this business is only a seasonable business, you cannot make it anything else and we cannot, I think, hold any of our business and expect to pay a man a year's salary for four or five months' work. It is simply impossible. It is simply impossible for the men to think they can get a twelve months' living wage and work four to five months a year; the industry won't do it.

Q What percentage of your workmen have other employment the rest of the year, would you estimate?

A Usually we run about 200 men and I suppose there is not over fifty or sixty men in our camp right now, that is, they live there permanently. As soon as the spring comes and the mines stop, they go to the lead or copper mines and over into B. C. or down into Montana and they work there until

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fall and come back again.

Q We'll, that is a new outlet we have not heard of.

COMMISSIONER WHEATLEY: Do you use this 25 per cent. of your men?

A Well, I think we use more. We have only practically fifty or sixty men down there that live there permanently; they get a little work around with the farmers, and they have families there that don't want to go away; but there is a class of men that work around, they expect to move in the spring. I hear them talking about it, in fact, to get over the line anybody is required to state who their employer has been and how long they have worked and we get quite a lot of information of where men are going over the line or into B. C. and most of the mines, copper mines and those mines in United States always want a recommendation from the employer; they write back to us giving the name of the man who has applied to them for employment and they want to know if he is all right. We have had dozens of letters along that line. So it shows these men are going away and get employment and they invariably come back in the fall.

THE CHAIRMAN: Do the copper mines work seasonal there?

A They must work all the time. I don't know but I would judge they did; they are mines that can work all the time.

Q I was wondering how these extra men got on there, then, if the mine was working -

A Oh, they must work all the time, copper and lead mines. And different coal mines, I suppose a lot of our men go down to the coal mines - I know we had men that worked all last summer through the strike down at ~~xx~~ Utah but they come back

in the fall; wages are higher up here.

Q Well, in general, have you any suggestion to make along this line of dealing with seasonal employment?

A No, I don't think I can say anything along that line. There is no doubt every person in business would like to have and give all the employment they can and naturally we have lots of work about our places that could be done providing it could be done at a reasonable cost but, unfortunately, we cannot afford -- you cannot run a business and maintain it for twelve months of the year and only practically run four and then pay overhead and keep your equipment in shape and the seven or eight months you are out several thousand dollars a month, and it is a very unsatisfactory business, and naturally our overhead and expenses are higher on the lower seam mines than the upper seam mines; it is harder mining and different mining conditions.

COMMISSIONER WHEATLEY: How many of these men that do stay in the camp do you employ during the summer?

A Oh, we don't employ any; I think we have only put out during the month of April four to five cars of coal during the whole month, a little clean-up coal, possibly, just ~~not~~ a small amount; I couldn't say how much in the month of April but ^{say?} to speak of there wasn't anything ~~doing~~/at all.

Q And how long will that continue before there is any change, in your opinion?

A I don't know. We expect a little Ontario business, but I don't know what it will amount to. If we should get more after this freight rate is established and conditions are

so we can mine it, possibly we may give quite a little bit of employment this very year, that is, if things work out as we anticipate.

Q But in a seasonal way when would you expect - -

A Oh, it will be into August or first September, ^{and} judging from last winter's experience with an organized mine such as we are, that it may be still later. We were all shut down at Drumheller practically in the middle of February, something unusual this year, and we have not done any business since of any account.

Q With the possibility of the Ontario trade it would be essential to have these fifty men you have now, you could use them?

A Oh, yes, sure.

Q You would need no less than that in order to maintain a working staff?

A Oh, yes, you could not get out any amount of coal with fifty men. Of course, the men would come back if there was any business to offer. There is no doubt lots of these men would drift back that are on farms and around the country handy, they would drift back if they could get work at the mine.

THE CHAIRMAN: Well, anything else you can suggest to us, Mr. Tupper?

A No, I don't think there is.

Q Well, if anything occurs to you we will be around the country for a while.

of the world, it is not only the most common but the most useful of all the things that we use every day. It is the most common of all the things that we use every day. It is the most useful of all the things that we use every day.

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WILLIAM McVEIGH.

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your mine, Mr. McVeigh?

A The Elgin.

Q The Elgin Coal Company, Limited. And your position with them?

A Manager.

Q How long have you held that position?

A About three years and a half.

Q Any previous connection with the coal industry?

A Not with coal, no.

Q You have heard some discussion this afternoon on the question of ^apooling arrangement or merger of mines, something to cut down the competition between so many mines. What are your views on those questions?

A Well, it would be very good if it could be arranged but I have my doubts; there is so much coal in Alberta and so many mines opened up and more opening up, I don't think it is very easily arranged.

Q What about the small mine competition, the wagon mine?

A Well, I don't think you could prevent them and I don't think you should, no more than a farmer should stop growing wheat. There are too many farmers, probably.

Q So that you have no suggestion along the line of limiting competition in those lines?

A No, I have not.

Q What is your experience at your mine in the matter of seasonal employment of your men?

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William McVeigh

A Oh, well, it is just this, when there is business there is work, that is all, and it is a short season.

Q What do your men do the rest of the time?

A Well, I find the good men that want to get along, they get out and go to work somewhere; they leave their name and address and when work starts we send for them and they are right in. The fellows that don't want to work, they stick around and talk about it.

COMMISSIONER WHEATLEY: What class of work do they usually go to?

A Oh, different work. Some of them on farms, a few of them I know of are down on this irrigation work; some of them gone to other mines.

Q How many of your men are farmers?

A I couldn't very well say.

Q There are a number?

A Yes, there is a few.

THE CHAIRMAN: Have you any suggestions that might form the basis of a recommendation by this commission to anybody on the question of this seasonal employment?

A Well, the only thing I have thought of was, we have the north field on one side, with a low rate, Saskatchewan on the other with a very much lower rate, and those people are doing the business; we are sitting looking on.

Q The low rate of what, do you mean?

A Of wages.

Q A low rate of wages?

A Yes, and cheaper coal.

Q. Well, it is just this, when there is a certain amount in

the way it is all, and it is a short account.

Q. Now, I am going to ask you to do the rest of the thing.

Q. I am going to ask you to do the rest of the thing.

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Q. I am going to ask you to do the rest of the thing.

Q Do you think you would do more business with a lower rate of wages?

A I certainly do and the sooner it is specified the better for the coming season or we will be sitting here in October the same as last year, just exactly the same; there is lots of coal in the country.

COMMISSIONER WHEATLEY: What assurance can you give the men of a livelihood?

A I don't think there is any assurance and I don't think they are entitled to any. I have no recommendation or any assurance of my business or any other men; I don't see how you could do it at all.

Q You don't consider that a man who produces the coal is to be assured of a livelihood?

A Oh, I certainly do but he cannot in this field; he cannot work three or four months and expect to live on it for twelve; I don't see how he can.

Q It is in line with this other later suggestion of yours I would like you to speak.

A You see, that is one thing that continually comes up here in a strong argument but I think it is an unreasonable one.

Q Why?

A The season won't permit it; if we put the price at that we couldn't sell any coal.

THE CHAIRMAN: Mr. Wheatley's point is, that I think, that you say your wages must now be lower to get a market.

A I would think so.

the fact that the business with a lower rate

I certainly do and the sooner it is specified the better
for the coming season or we will be sitting here in October
the same as last year, just exactly the same; there is little
to be done in the country.

ALICE: What assurance can you give me of a live-

I don't think there is any assurance at all. I don't think
they are entitled to any. I have no recommendation or
any assurance of my business on any other man; I don't
see how you could do it at all.

to be secured or a livelihood.
I certainly do not he cannot in this line; he cannot
live three or four months and expect to live on it for
any. I don't see how he can.

It is in line with this other factor mentioned at your
I don't think it is in line with this other factor mentioned at your
You are not in one thing that could be done for him
but I think it is in line with this other factor mentioned at your

The business with a lower rate is not a business with a lower rate
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I don't think it is in line with this other factor mentioned at your

Q And he is asking if you feel reasonably certain that with those reduced wages there would be work?

A There would be certainly more, yes.

Q Have you worked that out in detail as to how much reduction of wages there would have to be, in your opinion?

A No, I don't know as I have. It would increase the number of days, there is no doubt about it.

Q Do you know the prices at which these competing coals are sold?

A No; not particularly, no. There is so many different prices. I know that they are lower prices than the Drumheller field is getting.

Q And do you know the wages they are paying?

A Oh, some of them I do.

Q Well, how do they compare with yours?

A Well, they are much lower. Take the Souris field, I think it is 65¢; we are paying 92.

Q That is on contract?

A Room work, contract; I think that is contract.

COMMISSIONER WHEATLEY: Any organization down there?

A Union?

Q Yes.

A No, there is no union.

Q Do you know how those men live down there?

A Well, I believe they do better than they do here. There is steadier work.

Q I had to leave it because I was impoverished so badly, myself; I didn't find that the case, sir.

A I was never in the field but once.

Q I had six years' experience myself, crawled out on my hands and knees and glad to get away. I had to get out and earn something to fetch my family away.

A Well, you have noticed their output down there in the last year, what it has got to be?

Q They possibly have an output; it does not describe the living conditions of the men, though.

A Well, they have trebled their output; there must be somebody staying there.

Q They have applied themselves to a little better system than the Drumheller people. They are pooling their selling interests and applying themselves to some system; if the men are not organized, the operators are.

A Yes, they have that pooling system; I think it has worked out very well so far.

Q It is certainly reflecting on the business as a whole so far as production is concerned in competition with Drumheller, too?

A Yes.

Q I happened to take notice of that.

THE CHAIRMAN: Do you know anyone here who has made a comparison of these competing coals of the lower grades?

A No, I do not; I am just speaking off-hand, more or less.

Q If we had that before us more definitely we could deal with it better.

A It should be easily gotten, I suppose.

Q Any other general suggestions?

A No, I don't know of anything.

Q We are very anxious to get everyone's opinion on these big questions that are brought forward, like pooling, mergers, and so on. (in the?)

A Oh, yes, there is none more anxious than the Drumheller field to get conditions improved but the market just calls for so much coal at certain seasons of the year.

Q Well, if there is nothing more, thank you very much.

W I L L I A M S. H E N D E R S O N,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your mine, Mr. Henderson?

A The Western Gem Coal Company, Limited, and the Jewel Collieries, Limited, Wayne; one is in Drumheller and the other is in Wayne.

Q Now, Mr. Henderson, you have come forward with some suggestion here that we would like to discuss. In answer to the general questions as to improving mining conditions in Alberta, your suggestion is: "Yes, close down 50 per cent. of the mines now operating and see that no more are opened up until such time as it can be proved that the operating mines cannot supply the demand, and let the mines that are picked out to work compensate those that ~~xxx~~^{go} out of business."

There is a perfectly definite suggestion. We would like you to enlarge on it and tell us just how you are going to work it

A Isn't that sufficient, Mr. Chairman, to give you something to go on without enlarging it any more?

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Q Well -

A Isn't that a handfull?

Q It is a definite suggestion but I would like to have you enlarge on it a little to see how you are going to work it out.

A Well, Mr. Chairman, it is short and sweet and straight to the point. The Government have appointed this Commission to find out what is the trouble with the coal mines in Alberta. Naturally, if you close down 50 per cent. of the mines that are now running you would enable to 50 per cent. that would run to give 50 per cent. of the miners - who would have to go out of business as well as the mines--you would give the other 50 per cent. seven or eight months' work in the year, which would enable the miners to live and live comfortably on perhaps a less wage than they are getting at the present time. You could not ask the 50 per cent. coal operators that had put their money, invested their money in these coal mines - you could not ask them to step out and let the 50 per cent. that remain in, who would have a chance to make a profit, which they have not made, a great many of them, ever since they started - you could not get the 50 per cent. that stepped out to do it as an act of charity; they would have to be recompensed to enable them to get into something else that would make a living; therefore, in answering that question I felt that it would be much cheaper for me to take out each year until I was paid what was a fair valuation on the principal that I owned, or the part owner of along with my associates,

in taking so much out each year from the profits of those that operated until I was paid out.

Q What would you expect to get - you say you were paid out ?

A A fair price, a fair value on the principal that I stepped out of. Now, that price can be either a dollar or a million dollars; it would all be a matter of valuation.

Q On what sort of general basis of valuation would you think of proceeding?

A Well, now, I have never gone through the scale of valuations, Mr. Chairman, and I am not in a position, as a mine operator and who was a miner previous, practically all my life, just to answer that question intelligently to you or the Commission.

Q Well, take your own particular case, your own mine, what sort of a basis of valuation would you be satisfied with? Would you want the money you have invested in it or a profit, or what would you want?

A I don't think I will commit myself, Mr. Chairman, to you or anyone else to say I will take what money I had invested in it or a profit on that investment or anything else; I think that would be up to a board of valuers to value properties on a fair valuation and let that Board decide what would be a fair valuation. I might be out or I might be in, and if I was willing, before it was settled, to either stay in or go out on a fair valuation, that would be sufficient, wouldn't it?

Q Yes, but, of course, what is a fair valuation must appeal as fair to the -

A To the buyer as to the seller.

Q You are one of the sellers in your line?

A Questionable whether I would be or not.

Q You were supposing you were. You have mentioned yourself as one of the sellers.

A A Scotchman never lets go of anything that he has; he generally adds to it; so I might be one of the buyers.

Q If you were a buyer, aren't you prepared to say what you would pay?

A I would be prepared to agree to a fair valuation on the property that I was taking over.

Q Can't you tell us some idea of what you consider is fair?

A No, Mr. Chairman, I cannot, to be fair to you or fair to myself or to those that are here, I could not give you an idea; that is something that would have to be thought out a lot.

COMMISSIONER WHARTLEY:

Q You would want a certain return on your capital investment?

A- Questionable whether I would or not; I would want to sell at a fair price on the property as it stands to-day irrespective of the capital investment. I might have gone in on a shoe-string and if I had and only had invested \$1000. and I wanted 6% on that \$1000. for seven or eight years, if that mine to-day ~~perhaps~~ perhaps was equipped and producing four or five or six hundred tons, I don't think you would get me to agree with you or the Chairman or Mr. Drinnan here that I would take \$1000. plus eight years' interest at six or seven per cent. and let all my labors go for naught. I don't want you to try to wiggle me into a position where I would commit myself into something foolish.

You are one of the million in your -

the same answering you were, you have mentioned yourself as

one of the million.

I don't ever leave of anything that he has; he

generally adds to it; so I might be one of the million.

If you were a buyer, even if you prepared to pay what you would

pay?

I shall be happy to pay for the collection on the

subject that I am writing now.

Can't you tell me some idea of what you consider it to be?

It is a subject, I think, that is not very common

well or to those that are here, I could not give you an

idea; that is something that would have to be thought out a

lot.

WELL, I

would want a certain return on your capital investment?

Well, whether I would or not; I would want to know

if this will be the return on the investment, or if it will

be the return on the investment, I don't know, but I don't

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Q No, no, there is no intention of that. I am satisfied the Commission has no intention of that.

A Well, if you have you are both going to be disappointed because I will never do it.

THE CHAIRMAN: You said an amalgamation of this kind would assure seven or eight months' work in the year?

A Yes.

Q What would that involve in the way of marketing coal? How would you sell coal for eight months? Who would take it for eight months, is another question?

A Well, you have been asking a lot of questions on a pooling arrangement and if the coal mine industry of the Drumheller valley and all other valleys that are of any extent and size don't get wise to amalgamating their interests or pooling their selling arrangements to cut out 101 salesmen that are on the job eating up money and salaries and expenses following one another from door to door, as it were, trying to sell a care of coal, they they are gradually and surely committing suicide and causing not only themselves a lot of misery but causing the public to pay more for their coal. We have at several times had up the matter of pooling the sales of the Drumheller coals and because of petty jealousies amongst the different operators of us we have never been able to agree on a policy whereby one would get fair play with the other; there has always been that fear in the hearts of the different operators that one would get more than his share or that there would be something wrong that they would not get satisfaction and it has been a case of paddling your own

Q He, no, there is no intention of that. I am worried the
Commission has no intention of that.

A Well, if you have you are going to be disappointed
because I will never do it.

Q You said an enlargement of this kind would occur
in the future?

Yes.

Q What would that involve in the way of membership cost? How
would you sell coal for eight months who would take it

for eight months in the future?

A Well, you have said something about it in the past and now

the arrangement and if the coal mine industry of the United

States really has all this money and you are not going

to use it to develop in the future, then you are not going

to use it to develop in the future, then you are not going

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canoe and it is gradually getting worse until Mr. Tupper stated it took 35¢ to sell coal. I want to say here it takes nearer 50¢ to sell coal and sometimes a dollar and sometimes two dollars, when coal is shipped out on to the road without any orders and sometimes given away for the freight that is on it and demurrage, and then I think that there has been coal, from what I have learned in Winnipeg, that has gone down there and some of the operators have actually had to dig up money after it was all settled to pay part of their share of what the loss was on as high as ten cars of coal. Now, that is what is done by individuals selling their own coal and cutting one another's throats and if there were an amalgamation of the selling interests and, better still, if there were an amalgamation of the mining interests, there would be a surer run for the men and some chance of making profits for the operators, and, of course, I must be careful about the profits, because some men think that you aren't entitled to any profits but when I cannot make something out of this coal business I am going to get out of it; I am going into something else.

Q Well, to come back to that one question, before we leave it. You suggested there might be seven or eight months' work. We have had other witnesses that think the season is limited by the actual consumption and it is very difficult to extend it either way. Do you think the merger would extend the season to eight months' operation?

A I feel sure, Mr. Chairman, that a merger of those interests

controlling the output would go a long way to assuring the operators with the men a longer run by far than they have got at the present time. I suggested or mentioned eight months. Now, there would be a lot of work to do to educate the people who buy this coal and if there were closer co-operation between the men and the companies so that there could be an arrangement whereby coal could be made a little cheaper in the summer time when it is harder to sell it, so that there would be an inducement for the consumer to buy it at a reduced price in the summer, then there would be a much better chance to extend your run for the reason. You will agree with me that is feasible?

Yes.

A: Now, these are the things that ought to be brought about if this commission is in earnest and the government that appointed it is in earnest. This thing should be brought about even if it means the elimination of quite a number of operators and also a number of coal miners who will have to turn their hand to something else in the country; if the industry won't absorb them they will have to get out as well as the operators and a law passed, if it can be passed, whereby no more mines can be opened up. Now, that is the stickler and that is not for me to say how that can be done because that can only be done by the majority of the people of a country through their legislature. There are cures for all evils and there is a cure for this one but somebody is going to have to step down so that this cure can be put into effect.

COMMISSIONER WHEATLEY: There is some suggestion that it can be cured by competition. What are your views on that?

A By competition?

Q Yes.

A Amongst the operators?

Q Keener competition to oust those weaker ones.

A Yes, it has never yet failed that the survival of the fittest has always come out on top; it has been a long, hard fight but there are always those that are strongest financially, physically and every other way, who will survive the storm and come out on top, but - and that "but" is there - there is always a sucker who will foolishly step in to do what the other fellow failed at, with that thought in the back of his head that he is just a better man than the chap that lost his money and went out of business and, as long as you have that sucker, and he is a sucker, he is a fool to go into the business that the other fellow has failed at nine times out of ten, and if he isn't stopped from going in, it just means you will have as many mines five or ten years from now, if you shut 50 per cent. of them down, as you have at the present time,. Now, these are drastic measures that I suggest but you are looking for a cure in the mining industry of Alberta and it will not only be a big thing towards curing it, ^{but} it will produce cheaper coal ~~max~~ on the market to the people who have got to pay for it and burn it, because it means the elimination of 90 per cent. of the selling staff of this valley; it means you can buy in bulk all your supplies, that you can manage the property

a whole lot cheaper and there is a hundred and one things that will benefit by an amalgamation of a million tons a year and there will be a lot of men go out of this business, not only miners and operators and mine managers and clerks and that, because there won't be nearly half of them required that is required to-day.

Q Now, between the suggestion of buying out certain mines and the one of competing with certain mines, there is also the proposal of yours that further mines be stopped from opening?

A Yes. ~~long that I cannot get away from~~

Q Would it be all right in the first instance to stop further mines from opening and let this extreme competition clean the issue rather than buy out these mines that you refer to?

A No, I believe that it would save a lot of suffering and the first claim to every citizen of this country is to alleviate the suffering of it and if you are going to advocate that it is the survival of the fittest there is a lot of people going to suffer and the worker is going to be the greatest sufferer of the bunch and it is going to take years to kill the weakling and, while you are killing him you are killing a lot of others that have no right to be killed, and that is the worker and the worker's children. Now, why should you make him suffer if you think laws could be passed and this could be done and that 50 per cent. of these mines could be shut down and no more opened until a market demanded it?

Q Yes, there is both a humane way and a business way and I am glad to see you pronounce yourself on the humane way.

A I hope you don't think there are only the worker that is humane.

Q Oh, no.

A That is pointed out time and again. I read your Journal, the United Mine Workers Journal, and there there is nobody humane only the members of the United Mine Workers, as far as that little bit of ^apaper goes. I was reading yesterday and I was ashamed of some of the things I read in it because it was so one-sided, and I hope you are not going to get that feeling, not that the operator is not as humane many a time as what the worker is and I have been a worker so long that I cannot get away from that fact that there is a lot of suffering to-day in the industry that could be cut out if governments would get down to business, instead of playing politics and killing the country when they are playing of them.

THE CHAIRMAN: Mr. Henderson, does it occur to you that the Government might be afraid of a step of this kind on account of the precedent created? I presume there are a great many places at the present time - there are too many grocery stores -

A Eliminate them.

Q - if a half of them were cut out it would be better -

A Eliminate them, sure.

Q - Might the Government fear if they took this step in the coal industry they would be called on to take a similar step in the grocery business?

A Yes, and if the government interested themselves as much in the ~~xxx~~ grocery business as they do in the coal business they would very likely have a commission out right to-day but it is a funny thing that the coal business gets

rapped from every direction and the men that operate these mines are nothing but a bunch of crooks and robbers and, as I pointed out to Mr. Wheatley, we are looked upon as not being humane; we are looked upon as being monsters that grab everything.

COMMISSIONER WHEATLEY:

Q Not by Mr. Wheatley.

A No, not by Mr. Wheatley but by the worker; he has got a false idea of the operator. We are humane in this valley and we want to see our workers prosper more in the future than they have done if we can eliminate some of the things that is causing our troubles. Some of the workers are going to have to go to something else where they will find it is not as easy to earn seven or eight dollars a day as it is working in the coal mines, too; I will tell you that.

THE CHAIRMAN: Do you think the same thing can be brought about by a business merger without government action?

A No, I don't, because unfortunately, Mr. Chairman, there is so much coal in this country - Mr. Chairman, I hope no operator that is interested down the river here will take this as personal, but there are men in this room, ~~who~~ I think, ^{who} are waiting patiently and feverishly on a railroad going down the river, and there is a possibility that there will be as many coal mines opened up when that railroad goes down as will produce as much coal as Drumheller is producing now.

Q How is that coal held at the present time?

A That coal is held under lease from the Dominion Government.

Q Any of it freehold coal?

A Not that I know of, on the north side of the river, but on the south side of the river it is held by the C. P. R. Now, anything we do to the C.P.R., of course, that is O.K.; if we tie them up it doesn't make any difference; and there are not any C.P.R. men here to-day only Ben Coomb - and there is just a possibility that the C.P.R. might take a notion to open up that field as well. Now, what good would your merger do in Drumheller if that field opened up and put as much coal on the market as what this field will here and there is only a market for say one million tons and it can be produced here in a very short time? How is your merger going to cure the thing?

Q You suggested a pooling of sales, short of a merger. Had you thought of any details of how that could be worked out?

A Well, yes, each mine's output would be taken into consideration and -

Q By output you mean their capacity or past output?

A Their output at the present day. Don't go back or don't go ahead but take the last full day, we will say, that they run so that you don't punish those that hadn't a big output sixmonths or a year back and you don't go ahead and give them a chance to build up, but you take it as near the last day they operated at full capacity as possible.

Q Yes?

A And take that output and divide it up with the selling agency. The selling agency would divide up the available tonnage as near as possible to give each one their fair

Any of it is possible?

Yes, that is possible, on the other side of the river, but

on the other side of the river it is not possible to see it.

Now, perhaps we do go to the G.H.A., of course, that is G.H.A.

It is all right to go to the G.H.A. and see it.

Yes, that is right, but only if you go to the G.H.A.

There is a possibility that you will see it.

Yes, that is right, but only if you go to the G.H.A.

Your mother is in Brunswick, it is not possible to see it.

Yes, that is right, but only if you go to the G.H.A.

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share according to their output. Now, there is such a thing as someone demanding, that will say they want Hy-Grade coal or Newcastle coal in preference to all others, these would be little things that would have to be worked out with the organization whereby it could be made satisfactory both to the people that are buying the coal and the people that are selling. but if, instead of paying 50¢ a ton on all the coal that they had been selling previously they only had to pay 10¢ a ton, because that is what a pool would cost; that is what pooling arrangements would cost; - around 10¢ a ton; there are some operators here would say even less than that and some would say a little more but I think that is near enough to say that for to sell a million tons out of that valley would cost around 10¢ a ton or \$100,000. a year to sell it and make collections, and if the companies were saving anywhere from 25 up to as high as 40¢ a ton on that, they would make just as much and more than they are making now, those that are making anything, and produce less coal and take less men to produce it and have less upkeep in the mine each year because, Mr. Chairman, the farther you go under the mine, as you know, the more upkeep you have in timber and renewal of timber; so there are all these things in favor of a pooling arrangement in the Valley.

- Q" What about the other coals like Edmonton and Clover Bar coals and Lethbridge coals competing with a pool like this?
- A They are competing with them now.

...the people that are selling, but it, instead of paying 80¢
they only had to pay 1¢ a ton, because that is what a good
...; that is what paying 80¢ a ton would be.
...; there are some operators that would pay
even less than that and a...
... that is near enough to say that for to sell a million
... out of that selling would cost around 10¢ a ton or
... of a year to sell it and make collection, and it
... were making anywhere from 25¢ up to 30¢ high on
40¢ a ton on that, they would make just as much and more
than they are making now, those that are making anything.
... produce less coal and they lose the 10¢ a ton.
... are keeping in the mine each year because, Mr.
... the farther you go into the mine, the more coal you find.
... you have it there and you can't get it out.
... all this time is being lost in the mine.
... the farther you go into the mine, the more coal you find.
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... the farther you go into the mine, the more coal you find.
... you have it there and you can't get it out.
... all this time is being lost in the mine.

Q The suggestion was made even under a pooling arrangement you did not get the cheapest market because one man told me in Calgary the salesman went into a certain point and had a section of coals to suit all customers, he could sell to every dealer in the town. Even if a pool of Drumheller coal were formed the pool salesman would only still have Drumheller coals to sell.

A Yes.

Q And his idea was the marketing could be done more cheaply not by a pool of Drumheller coal -

A But a pool of all coals?

Q You might call it a cross-section pool.

A Well, naturally you are going to cut down the cost of selling much more if you can work your pool to take in all of the northern and southern field as well as the central, say this is the central part, because there is a big domestic field on the north of us and a fairly large domestic field on the south of us. Now, if the three of them were combined and all selling through one pool and they took the needs of the markets that they had and worked it out in fair proportions to each district, you would cut down the ~~maxx~~ selling costs of that organization with your greater tonnage than if you were only handling one million tons.

Q But this same witness suggested that if you lost the competition between the various kinds of Drumheller coal each trying to push sales and ~~sell~~ still had the competition of these outside coals there would be less Drumheller coal

under a pooling arrangement than there is at present, without a provincial pool. I am just supposing a Drumheller pool alone going over the ground in competition with salesmen of other coals and only one pool salesman covering the ground and no competition, his opinion was that you would sell less Drumheller coal.

A I am at a disadvantage. You have heard him and you have heard me give different opinions about the selling of coal. Now, if I knew who that man was or could have heard him, I might have been able to size up whether he knew very much about the business or not.

Q Well, he was selling a lot of coal. I was just asking for your opinion - -

A I am telling you, Mr. Chairman, a man selling a little coal, retailing in a city, as compared with a pooling arrangement that is selling all over three provinces and sometimes four, because there is a market for a certain amount of coal in B. C. as well as in some parts of the States, I think eliminating the competition would be a benefit instead of a hurt to Drumheller as well as to every other field that is producing the coal, under the pool arrangement.

Q I might just say this, in general explanation, all the people that come before us and give their opinion, in order to bring their opinions out, I often have to seem to be in opposition to them alternatively and it may have no relation to what my real opinions are one way or the other or what they are going to be.

A Well, Mr. Chairman, irrespective of whether you are with

I came
me or against me/here this morning to give my opinion.

Q That is what we want.

A And I am not being influenced by any operator in the room or any Commissioner on the bench; I am here to give you my honest opinion of what I think would help the industry and in helping the industry it would help the workers as well as the operator, help the consumer as well; he would get cheaper fuel; the worker would get more work, which would mean more money, and the operator would be surer of a steadier run, which would give him a better chance to make something on his investment. These are the things that are necessary because, without the three working together, Mr. Chairman, there cannot be any satisfaction unless that you suggest to the Government or I suggest to the Government that they take over the coal mines and run them.

Q What do you think about that?

A Well, from what I have seen of the railroad I think shame of it. I don't want to see anything more taken over by the Government unless there is a big revival takes place in the hearts of men and they will learn to play the game and give as good service to the Government as they would give to themselves.

Q Mr. Henderson, have you any comment to make on the present Mines Act?

A Yes, I think if you cut half of what is in it out it would be God's blessing to the mines, the miners and the mine operators.

Q Which particular half?

A The top half.

Q sections numbered in order from the beginning?

A Yes, just take the top half, or you can take the top half and the bottom half in a disk and shake them up and I will be satisfied whichever half comes out.

COMMISSIONER WHEATLEY: There cannot be much with wrong with either side, then?

A Oh, yes, there is.

THE CHAIRMAN: Well, seriously, any particular points that you wish to call/attention of the Commission?

A Yes, we have too much duplication of inspections. I think that one good inspector - this will suit Duncan - paid a proper salary, about double what they have got now, would do what two or three are doing and do it more efficiently, and there would be no criss-crossing between one and the other.

Q No, but one inspector now has to cover about 110 mines.

A Yes, but if you cut out a whole lot of the things that are in there that are not any good to the mining industry then you would cut out half that inspector's work and still he would be just as efficient because I don't see any improvement in the mines to-day to what it was, we will say, eight or ten years ago when there were not half these things that are in it to-day. According to the last time I looked at the things that has got to be answered.

Q Which particular things would you cut out?

A Well, I'd have to take the Act and sit down with you and then I think I could easily point out a lot of things that could be cut out that would not hurt anybody and they would

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relieve the man that is looking after it a whole lot of useless things that don't help him nor his government nor the mines nor the mine owners.

Q Would you do that sometime?

COMMISSIONER WHEATLEY: Suggest one or two things if half of it is available to be cut out, suggest two or three things.

A No, I don't think I will suggest any part.

Q Allright. Here is the point: You say the industry is being legislated to death?

A Yes.

Q In what way? If you could suggest something that I might be enlightened.

A Well, after this Commission makes its report, and I hope they will recommend that we go farther than just having the commission, that the Government will see fit, further, I'd like to have an opportunity then for to sit in with both miners and operators and help to point out a lot of things that can be eliminated and that will be no hurt to either side and, after all, the people that are most vitally interested is the worker and the operator.

Q I am sure the worker feels he wants protection in many instances and I will be glad to have your views on where there is excessive legislation.

A Well, I think that they are and I am not prepared to just pick out any one or two instances right now, Frank, and say which should be eliminated but, in going over them and in talking over them with other associates, we have gained the conclusion

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that there is a lot of things now in the Mines Act that could be done away with and that would hurt nobody and free us from things that we think is a hindrance to the mining industry.

THE CHAIRMAN: If you could at your leisure point out a few of those things to us?

A Well, I will just go over them when I get back home and I will write you.

Q Thanks very much. What about the Workmen's Compensation Act?

A Oh, God! It is getting so high that I am thinking of going out some night in the dark and knocking the blocks off this Compensation Board, John T., Walter McNeill and a few others, and killing this thing, because it is away higher than ever it was under the old conditions and yet the men are not satisfied. I have a man off now that can't understand why he is only getting somewhere around \$3. a day. He figures he should be getting much more. I have had several at me and I told them I don't know nothing about it, all I know is I got a bill in every so often, I have got to pay it, for this compensation and every accident that I have over a certain thing I have to pay so much more; I am penalized for these accidents. I am preaching to the men all the time. Be careful and watch your step and don't take any unnecessary chances, and I have gone into places time and again and ordered men out until there was timbers put up so that it would make it safe for that man to work and he did not have sense enough to do it himself and he is supposed to have enough knowledge of mining not to go under these things.

that there is a very close connection between the two things, and that the one is the cause of the other. This is the case in the case of the two things mentioned above.

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We cannot continually keep a man behind a miner - I am not saying all miners are like that because we have got a lot of good miners, intelligent miners, miners that won't take a chance, but we have got the one that will take a chance and gets knocked out or he either gets his leg broken or foot cut or something and to-day I am penalized for these things.

Q What actual changes would you suggest in the Act?

A Fire the present Board and put on a board of operators; they need a rest, anyway.

Q I am asking you about the Act; I didn't ask you about the Board under the Act.

COMMISSIONER WHEATLEY: Would that man get more than \$3. a day then, that you refer to?

A The trouble as I have seen it is that I have actually seen men at the tail end of the season rejoice because they happened to get their hand hurt or their foot hurt because it meant that there was no work anyway and they were getting anywhere between two and three dollars for two or three months and they were doing nothing and it come in very handy. Now, I have noticed in actual experience since the Government took over the compensation that there have been more accidents by far in our mines, or either that or we see them more because they are costing us more money than we ever had in the past.

THE CHAIRMAN: Do you think statistics will bear that out, that there have been more accidents?

A Yes, I believe it will.

Q I will be glad to see them worked out.

COMMISSIONER WHEATLEY: Well, Mr. Henderson, would you consider now, under the circumstances, of this man rejoicing under circumstances like that, that it was an indictment against the Compensation Act or the industry in general?

A Well, the men that do that, I don't think they realize just how the money is coming or they don't seem to worry where it comes from. If they realized that the money has to come out of the industry because all compensations are paid from the production of coal -

THE CHAIRMAN: Well, Mr. Henderson, are you in favor of the principle of the Compensation Act?

A Yes, I am, with certain modifications.

Q The same as with the Mines Act, if you could point out to us afterwards actual provisions of the Act you suggest changing, would you do that?

A Yes, I will.

Q Thank you very much.

HILLIARD C. McCONKEY,

Being called as a witness and duly sworn, was examined by:

THE CHAIRMAN: Your mine, Mr. McConkey?

A Hy-Grade Coal Company.

Q Your position with it?

A President and Manager.

Q How long have you held that position?

A The first position was from February 6, 1919, and the latter position from October 15th, 1919.

Q Any previous connection with the coal industry in Alberta?

A No, sir.

Q You have heard the discussion this afternoon, Mr. McConkey, on the question of whether or not there may be said to be too many mines operating in Drumheller and steps that might be taken to meet that condition if there are thought to be too many. I would like to hear from you on that.

A Well, I have heard the question of amalgamation of some percentage but I find that under British traditions and, in fact, in other countries, that I don't think, from a moral side at least, any law can be framed to put such into force and that is due to the reason that all people have the right to make a living in any manner that they so desire as long as it comes within the scope of the law of the country in which they live. That is all I have to say on that subject.

COMMISSIONER WHEATLEY: Well, the Government of this province is actually encouraging that kind of thing in other industries.

THE CHAIRMAN: The elimination of competition by closing mines, you meant?

A Yes.

Q That was my question.

A Yes, that was your question.

Q What about preventing the opening of new mines?

A Well, I think the Government should take steps to make a reasonable assurance that any mine to be opened would have

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a reasonable amount of capital to open it under conditions whereby there is safety and guarantee of wages or, in other words, guarantee of all debts to be paid that they incur.

Q But beyond safety and a reasonable guarantee of meeting their debts, do you suggest any regulation as to opening a mine?

A No, the opening must be done under the present Mines Act.

Q If the Government still owned all the coal and it was a question of securing new leases, would you think there is any argument for them not granting any more leases at present?

A Well, they could take that assumption; they could take the assumption and act upon it even, not to open any more leases, under the simple ^{assumption} question that the Government can do no wrong

Q Of course, that is a very purely hypothetical question to put to you because it is not a ^{fact that} question/they do own all the leases.

A I had that point in view.

Q What is your view on the so-called wagon mines? You were not here this morning. I might explain to you more, it has been stated to us that these mines, opening on the outcrop seams spoil proper access to that seam later on, in addition to the competition on the market.

A Well, I don't think that they should be stopped from opening them because, on general principles, they serve a territory which is somewhat distant from ~~the~~ railroad communication, but I do think that the ordinary mines, as we may state, they are subject to inspection and I must, as one, follow all the regulations, that the parties who opened

wagon mines should be subject to the same thing, in a sense of equality or fairness. I realize the point of view that a man might open a wagon mine and probably take out sixty tons of coal, he himself, and under that circumstances he accepts all dangers and risks and it would not be an economical point of view to inspect that, due to the cost, &c., but if he is employing labor, then I think he should be subject to inspection, that is, in order to protect those who work with him, and the reason for that is that he may take risks in his own self but then he has no one to blame but himself.

Q What about a selling pool?

A Well, the selling pools, they are organized in various classes and commodities and so they are in coal, too. The principle of it is quite correct, for the purpose of reducing the cost to the consumer. My suggestion would be that it would be worked out this way, that fifty mines or a number of mines would employ a party who was working like an actuary that would be taken from an equation drawn over this whole on the tonnage of a given month or, if not, the tonnage of the given past twelve months, that is twelve months to cover a seasonal rate, and from that place it in the hands of probably three competent business men and through that there would be a reduction -

Q Just with what purpose?

A The fifty mines I was referring to, put the whole business then in the hands of three business men and they would, in turn, appoint one or more men for district travellers and

and through that you would eliminate practically fifty per cent. of the cost of selling. Now, as an illustration, we take 100,000 tons and it cost \$35,000. to sell it, one would eliminate \$17,500. and we would divide - that would be a ratio of profit, we might say, to the individual mine, according to ^{the} tonnage that he produced.

Q How would you divide the orders among the mines, then, that you got?

A Well, they would naturally have to represent the different mines by the trade names and the mine who then would get a higher percentage than the ratio on which his allotment was made would gain a smaller or higher percentage in his gross return from the selling organization and reimburse that to the one who got lesser.

Q Well, on what basis would you reimburse him?

A Well, what I was just looking at, supposing I was allowed 100 tons and I got 110 tons and the other man got 90; well, then, he should get 11/10ths of any profit that would be made on the selling organization, that is, by setting a basis that the selling would be so much, and the other man would get 9/10ths or, in other words, he would be reimbursed; 9/10 of the commission would be allotted to the man who got 110 tons and the other part would be reimbursed to the other man.

Q What do you mean by profit on the selling organization?

A Well, to do this you would have to take and set an average selling price as the basis.

Q Do you mean you would put the coal into the pool at some cost price and let them make the profit?

... you would ...
... the cost of selling. Now, as an illustration, we
... and it cost \$25,000. So sell it, one would
... 17,500. and we would have - that would be a
... we might say, to the individual who, second-
... the ...

... they would naturally have to represent the different
... by the trade names and the names who then would not
... was made would gain a smaller or higher percentage in his
... return from the selling operation and therefore
... the ...

... you reimburse him?
... I was just looking at, supposing I was allowed
... I got 110 tons and the other man got 90; well,
... of any profit that would be made
... pension, that is, by ...
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- A No, the pool would be formed on the basis of say 40¢ a ton. If the selling price was sold for 15¢, there would be a 25¢ difference, and through that percentage that is in there there would be a factor or basis of division between mines of more or less quantity.
- Q Well, do you think a proportion of a 25¢ a ton saving would compensate a particular owner for working his mine as against the other mine being idle?
- A It would in a very short time because this kind of organization would keep the product to the front.
- Q What steps would be necessary to start such a pool?
- A First to obtain a party who was well versed in actual values; call a meeting of all the operators and from that you would settle on a committee of five or seven.
- Q I didn't put my question quite right. Would you think that the operators here would join in such an arrangement? Have you any reason to know what their views are?
- A I think they consider it more necessary than ever due to the competition they are meeting.
- Q What about new mines opening up after the pool was formed?
- A The new mines would not be able to compete.
- Q You don't think they would?
- A No, the reduced selling price would put a new mine ~~in~~ more in a precarious position.
- Q So you think the selling pool is^a/fairly feasible plan for this -
- A I do; it seems feasible to me, that if it can be worked out,

in thousands of cases in America, I don't mean thousands of commodities but I mean thousands of cases of all kinds of commodities.

Q One of the difficulties suggested to us was that in the case of this pool the whole product cannot be sold. In the case of the wheat pool, there is a market for the entire wheat but in this case all the coal cannot be sold.

A Well, wheat has got different grades.

Q No, but the entire quantity, the entire possible production cannot be sold. Do you think that is a good objection?

A Well, is the intention to mean that the production for a year--?

Q Well, the idea was that the operation of each mine would be limited under the pool and that was going to create difficulty.

A Well, that would be from a wholesaler's point of view.

Q No, this was from the operator's point of view, the difficulty in forming and holding such a pool together was that each mine operator would not be able to operate his mine to full capacity.

A Well, there would be that point; if he increased his production over his normal stated amount on whatever month's basis you took it.

Q You would apportion the orders on what basis? You mentioned a while ago that any order for a particular coal would go to that mine?

A Yes.

Q But if the kind of coal was not specified how would you apportion the orders?

in the case of the first, it is not possible to say that the first is a case of the second, and the second is a case of the first.

But in the case of the second, it is not possible to say that the second is a case of the first, and the first is a case of the second.

Well, what has got different grades. Do you think that is a good question?

Well, it is the intention to mean that the production for a year-? Well, it is the intention to mean that the production for a year-?

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A Well, I'd apportion it on the commission basis.

Q In what tonnage to each mine?

A On the increased tonnage.

Q Well, assuming that the mines here have a capacity of, we will say, two million tons per annum if worked to full capacity and your pool had sales for a million tons, how would you propose to distribute that million tons?

A Proportionate, due to the amount set out on the monthly production.

Q That is your basis to start from?

A Yes.

Q It is your opinion that the advantages from such an arrangement would persuade a number of the operators as a whole to come in?

A Well, I'd be agreeable to go into it myself.

COMMISSIONER WHEATLEY: You have never had any expert opinion on these things in this valley yet?

A No, sir, not on the coal problem.

THE CHAIRMAN: The difficulty of grading coal was also suggested as a difficulty in the way of a pooling arrangement?

A Well, naturally in pooling of any commodity there is part of it, 90 per cent. -- there is 10 per cent. inferior, not inferior but under -- well, those mines should easily take care of themselves. Take this point, there is a mine that doesn't screen coal good, doesn't get the business anyway; I don't see any difficulty in that part of it, about the inferior grade, because in the sales agency end, if you put up seven names of the same commodity and the public says out of

1. The first thing I noticed when I stepped out of the plane was the cold air. It was a sharp contrast to the warm air of the plane.

2. I had heard that the weather in London was bad, but I didn't expect it to be this cold.

3. I was wearing a heavy coat, but it didn't seem to be enough.

4. I had brought a scarf, but I didn't think I would need it.

5. I was walking towards the hotel, and I was feeling a little better.

6. I had heard that the hotel was nice, but I didn't expect it to be this good.

7. I was in a room with a view of the city, and I was feeling even better.

8. I had heard that the food was good, but I didn't expect it to be this good.

9. I was sitting at a table with a view of the city, and I was feeling great.

10. I had heard that the service was good, but I didn't expect it to be this good.

11. I was talking to the waiter, and I was feeling even better.

12. I had heard that the music was good, but I didn't expect it to be this good.

13. I was dancing with the waiter, and I was feeling fantastic.

14. I had heard that the night was good, but I didn't expect it to be this good.

15. I was walking home, and I was feeling great.

16. I had heard that the morning was good, but I didn't expect it to be this good.

17. I was walking to work, and I was feeling great.

18. I had heard that the day was good, but I didn't expect it to be this good.

19. I was walking home, and I was feeling great.

20. I had heard that the night was good, but I didn't expect it to be this good.

21. I was walking home, and I was feeling great.

22. I had heard that the morning was good, but I didn't expect it to be this good.

23. I was walking to work, and I was feeling great.

24. I had heard that the day was good, but I didn't expect it to be this good.

25. I was walking home, and I was feeling great.

26. I had heard that the night was good, but I didn't expect it to be this good.

27. I was walking home, and I was feeling great.

28. I had heard that the morning was good, but I didn't expect it to be this good.

29. I was walking to work, and I was feeling great.

30. I had heard that the day was good, but I didn't expect it to be this good.

those seven one of them only got half of one car to the rest full proportion of a car apiece, naturally the question comes up, What is wrong? Well, it is through your screening. (improve) Why, he would certainly have to eliminate screening, himself, in order to keep himself in the trade .

COMMISSIONER WHEATLEY: On the American side, where they had such an arrangement, there was a penalty clause along the line you suggest now.

A Yes, sure.

THE CHAIRMAN: I think the point was rather the individuality of the coals, not so much whether it was good or bad coal of the kind, but that the public had got used to, say, Hy-Grade coal and Newcastle coal, and so on.

A Well, I will tell you how that takes place. There were four of my own customers I had last year sent commendatory letters, &c., while the reason was strong, Hy-Grade was good coal, but I found on January 28th, because they got 25¢ a ton off on coal while the other must be just as good because he bought it, so the popularity in the first case was only short-lived.

Q In other words, you think a pool like this could operate in spite of the previous marketing conditions?

A I do, sir, yes.

Q What percentage of the operators in the valley would you have to get in on such a pool to make it successful?

A All.

Q Then what about competition of other fields producing coal in competition with you?

- A Well, before the industry goes into the pool you will reduce the cost of selling that you could give to the dealers who deal with us and that, through itself, would put you in a position to compete.
- Q You are not suggesting, then, a pool that takes in any more than this particular section?
- A Yes, the other areas could be a pool too; a south pool - Medicine Hat, Lethbridge and Taber; and the middle half, and the north half could pool, too, I believe, in the same principle as what amounts to the grain question. There is an Alberta, Saskatchewan and Manitoba arrangements. Those arrangements as contracted are modified into one. Why? Because they saw they had the same purpose in view and by acting upon it they found results and sought to obtain a condition in which they could handle themselves in the world's market of wheat - they amalgamated the three of them - why? simply because they had to compete with producers in other countries. The same condition is here.
- Q If some of the operators in the Drumheller field would not go into such a pool would that be a fatal objection to the others going in?
- A- Not necessarily; if he has a higher cost--in other words, it would cost him 30¢ a ton and the pool could sell it for 15¢. he has got 15¢ of a competitive bid right against him.
- Q Are any steps now in prospect to organize a pool?
- A It has been taken up from time to time without any final result.

Q What is really necessary to get it started?

A The mines and the men to be of one mind.

Q A sufficient number of them?

A Sure.

Q Well, that is very valuable evidence on your opinion of your pooling - One of your suggestions is the dealer should provide insulated sheds for storage. I would like to have anything you have on that point.

A Well, through the friableness of a large part of lignite coal it has been found that the present sheds - and I might say, they are flimsy structures throughout the three prairie provinces, practically 99 per cent. of them - if they were made with an insulator of sawdust on a ground floor, at this coal could be moved down in August, it would keep perfectly all right.

Q What would be the relative cost of such sheds compared with the present?

A Just about the cost of sawdust plus the total amount of extra - the total amount of sheeting now on the shed.

Q So it would not amount to more than how much percentage above the total cost?

A Well, take the roof and all, I would say 40 per cent.

Q 40% increase in cost?

A Yes.

COMMISSIONER WHEATLEY: There have been several suggestions for concrete sheds for storage. What is your opinion on that?

A Well, that would not be any more of an absolute insulator than the sawdust because there is doors and openings which

and is really intended to get it out of the way.

And I think it is one of the things.

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have got to be taken care of.

Q The impression was that it would not dry out as quickly through the concrete sides as it would in a wooden building.

A Well, all the moisture you are going to get is from the floor; the concrete don't grow water.

Q No, that is the reason it was recommended, of course.

A The reason I recommended the insulated shed of sawdust is because you see it mostly any day in any town you go to where such a shed is put up it will keep ice all summer.

THE CHAIRMAN: Have you known anywhere these sheds have been used?

A No, I do not know of one, which is due to my limited travelling through the country since I have a coal business.

Q Now, you have another main suggestion, that what is required are wages to meet the market, and wider markets and wages to meet competition.

A I made that suggestion. In a general conversation it has always been brought forward that it is the miners and operators and no thought was taken of the people who burned the coal. I don't consider it is a question - - as far as the wage question, I don't consider it is one between the miner and operators at all; I believe it is one between the miners and the public. The reason for that is that if the public is going to buy, in Manitoba, as will say, one quarter of its necessity in coke, then it is up to the miners here to start in to offset the coke coming into their own field; that is the purpose of that statement, that they must take the fundamental truth and study it that way and then ~~mix~~ they will realize something of their

own situation. Now, when that is done, the operator already is doing all in his power to keep the reduced price so if the first will become fundamental issue, the second is practically all there and it will then culminate itself into some decisive effort.

COMMISSIONER WHEATLEY: Would not the fundamental issue to the miner be a living wage?

A Yes, but if he is bound that he will only hold himself to one occupation and he must abide with the length of the period it will take and at the same time he must study the other party who is taking it away from him.

Q Well, do you suggest he is getting more than a living wage at the present time?

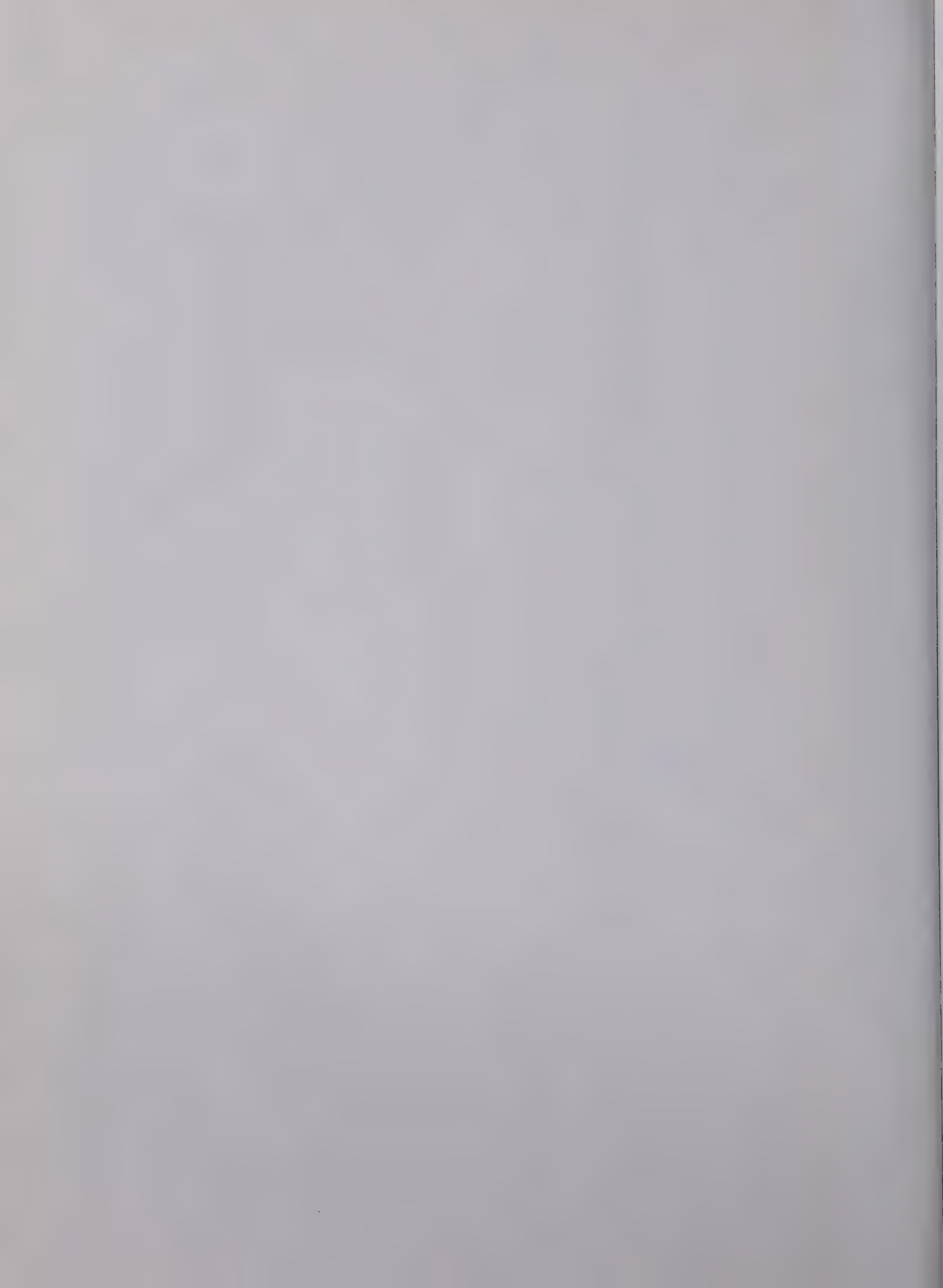
A More than a living wage?

Q Yes, that he can make any reduction?

A He could make a reduction on more time, more working days.

Q Is there more days available through that source? I understood on account of it being a seasonable market his days were limited.

A Well, it might be. A third point is submitted there. Seasonal occupation is becoming less every year through the loss of certain sections of the market due to foreign coal and coke plus coal from outside districts. Fundamentally I am speaking for our own district. Well, if his days keep on being reduced, it is through the market; there is no other feature to it, that he is going down and so is the mine going down.



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